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Audit Suggests Barings Knew of Risky Trading

By Michael Richardson
International Herald Tribune

SINGAPORE — New details about the collapse of Barings PLC suggest that the company's London management knew about and condoned the trading activities at its Singapore branch, which ultimately led to its downfall.

Official investigators in Singapore said over the weekend that senior executives at Barings were warned several times in the past three years of major problems at Baring Futures (Singapore) Pte.

In the first detailed account of their probe into the futures trading losses that caused the collapse of Britain's oldest merchant bank just over a week ago, the investigators produced documentary evidence on Saturday strongly indicating that top managers in London knew of the massive futures trading from Singapore and supported it.

Analysts said Sunday the account appeared to support claims by Nicholas W. Leeson, the former head of futures trading at Barings in Singapore, that his superiors in London knew what he was doing and backed him because of the previous profits he had earned for the group.

Under Mr. Leeson as general manager, Baring Futures (Singapore) made a profit of nearly $14 million in 1994, according to Price Waterhouse & Co., which is acting as judicial manager of the futures trading arm.

Mr. Leeson, 28, is now in detention in Germany pending the outcome of an extradition request by the Singapore authorities.

The Barings group "took a position and lost," said K. Shanmugam, legal counsel for the Singapore International Monetary Exchange, the trading arena in which much of the ultimately disastrous speculation in futures and options linked to the price of Japanese stocks took place.

He was speaking at a joint news conference by SIMEX, the Stock Exchange of Singapore, officials of the Monetary Authority of Singapore, and Price Waterhouse.

Price Waterhouse officials said that an internal audit carried out by Barings in August concluded that there was "a significant general risk" that trading con-

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Dollar Appears Headed For a Month of Turmoil

Intervention Will Fail, Analysts Say, Without Signal That Rates Will Rise

By Carl Gewirtz
International Herald Tribune

PARIS — Analysts hold out little hope of any respite in the turmoil now engulfing the foreign-exchange market until at least the end of this month. In the meantime, the dollar is expected to hit record lows against the yen, the Deutsche mark and the Swiss franc, while the mark is seen continuing to advance within Europe, further straining tensions in the European Monetary System.

The two events that analysts said could turn around the bearish mood on the dollar are the March 28 policy meeting of the Federal Reserve Board's Open Market Committee, which could decide to raise U.S. interest rates, and the close of the fiscal year in Japan on March 31.

The approaching close of the bookkeeping year in Japan, many analysts believe, was a major factor in the market. Although the dollar has been under pressure for weeks, it was the sharp decline against the yen on Thursday that prompted a two-day wave of unsuccessful intervention by all of the major central banks.

[Japan's finance minister, Masayoshi Takemura, warned currency markets on Sunday to expect coordinated central bank intervention to stop the yen's surge against the dollar when markets reopen Monday, Reuters reported from Tokyo.

["After spending morning until night on Friday on the telephone with American and European finance ministers, we achieved a consensus among Japan, the United States and Europe that it is not desirable for the dollar to get any weaker," Mr. Takemura said.]

The central banks' inability to arrest the dollar's decline so far has only added to the gloom among analysts about the near-term outlook for the currency.

"It was a triumph of hope over experience," said Stephen King, London-based analyst at James Capel & Co. "Intervention only works when backed by changes in domestic policy. Until the Fed indicates it's prepared to raise interest rates, intervention is doomed to fail."

There is traditionally upward pressure on the yen at this time of year. But this time, the foreign-exchange market is awash with fears that more than seasonal factors may be at play.

Under Japanese accounting rules, companies are not required to account for foreign-exchange losses in the value of their foreign holdings as long as the decline does not exceed 15 percent. Once the loss has to be booked, however, there is no longer any incentive to hold the assets.

It has been rumored that the threshold for major institutional investors is a dollar value of 90 yen. The dollar ended last week at 94.135 yen, and fears were running high that the Japanese were trying to limit their losses by selling and repatriating their

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EU Monetary Chiefs Broker Fate of Peseta

Reuters

BRUSSELS — The European Union's monetary committee met in emergency session on Sunday to decide the fate of the Spanish peseta and Portuguese escudo, monetary sources said.

The two countries had asked the committee, made up of EU finance ministry and central bank officials, for a devaluation of their currencies, a source close to the committee said.

The monetary committee was facing the choice of either agreeing to a devaluation of the peseta, and by linkage the escudo, or deciding that both currencies should quit the exchange-rate mechanism.

China Leader Assails Errors In Handling Of Economy

By Steven Mufson
Washington Post Service

BEIJING — Prime Minister Li Peng told the opening session of the National People's Congress on Sunday that the government would try this year to rein in economic growth, tame "excessive" inflation rates and fight corruption.

Mr. Li was relatively frank by official Chinese standards, acknowledging that the government had failed to curb the abuse of power by many officials and had made mistakes that contributed to last year's 21.7 percent retail inflation rate.

But the prime minister, who signed the martial-law order before the 1989 crackdown on Beijing's pro-democracy demonstrators, was silent on questions of fundamental political reform. He repeated the customary political slogans of the Deng Xiaoping era and called on the 2,811 members of the legislature to "implement the basic line of the party."

The one-and-a-half hour speech in the Great Hall of the People in Tiananmen Square kicked off the three-week session of the National People's Congress, traditionally the country's rubber-stamp legislature.

Under the leadership of the former intelligence chief Qiao Shi, however, the legislature has emerged as an organization vying for its place in the power structure. It is expected to consider the adoption of about 30 laws on topics ranging from the central bank, state enterprise reform and bankruptcy, to family planning, prison reform and the environment.

The National People's Congress also is expected to promote two allies of the president and Communist Party general secretary, Jiang Zemin. Wu Bangguo, like Mr. Jiang a former Shanghai Communist Party chief, and Jiang Chunyun, a former party chief from the eastern province of Shandong, are likely to become deputy prime ministers, thus further solidifying Mr. Jiang's position.

Though key votes have traditionally been virtually unanimous, the legislature had one of its few significant dissenting voting blocs when it considered the Three Gorges hydroelectric dam project on the Yangtze river. Bankruptcy proposals have also stimulated heated debate. But the leg-

See CHINA, Page 7

Misha Japaridze/The Associated Press

RUSSIAN POWS — Two 19-year-old Russian prisoners of war carrying buckets of water Sunday to the Chechen military headquarters in Shali, 25 kilometers (15 miles) southeast of Grozny, where they are held captive. The two army conscripts were captured Jan. 1 after the Russians' New Year's assault on the Chechen capital failed.

Bloodbath Rips Fabric of Algerian Society

By Nora Boustany
Washington Post Service

ALGIERS — The dead lie side by side: neighborhood policeman, the musician, the feminist, the schoolmistress, the head of the fine arts academy, the movie director, the student and the unknown prisoner.

In life, they were symbols of social and economic injustice, cultural diversity and frustrated political goals, who became targets in the three-year-old power struggle between Islamic militants and the army-backed government.

But, in the graveyards of Alia, Qattar and Garide, they are equals, all civilians trapped in an escalating bloodbath that is tearing the fabric of Algerian society.

In January 1992, Algeria's militant Muslims were on the verge of winning control of the national legislature. Then the government canceled the elections, the military asserted control, and a struggle began that has killed some 30,000 people, many of them civilians and foreigners.

The government said Saturday that 6,388 civilians were killed by the militants last year, and scores more have died since. At least 42 people died when a suicide bomber blew himself up in a crowd outside the Algiers police headquarters Jan. 31.

Last month, the victims gunned down included intellectuals and artists, school directors who refused to wear veils, and female architects. On Feb. 17, Djamel Ziater was shot as he stood over his mother's grave, the 36th journalist to be killed since the rebellion began.

As the military retaliates with aerial strafing and armed confrontations, families tried last week to mark the end of the holy Muslim month of Ramadan, flocking to cemeteries with flowers and sweets to pay their respects to the dead, many of them recent victims of the violence.

At the Alia cemetery here, Souhila M. cried as she patted fresh earth around a

See ALGERIA, Page 7

U.S. Push on Iraq Sanctions Draws Support (and Doubt)

By Julia Preston
Washington Post Service

UNITED NATIONS, New York — The United States must still devise an effective strategy for keeping pressure on President Saddam Hussein to cooperate with the United Nations, even though it appears to have won a majority on the Security Council for maintaining the oil embargo against Iraq, foreign diplomats at the United Nations said Sunday.

Madeleine K. Albright, the chief U.S. delegate to the United Nations, said Saturday that a lobbying tour she undertook last week had given the United States 10 votes on the 15-nation Security Council in favor of continuing UN economic sanctions, which include a ban on oil exports by Iraq. France and Russia, which are permanent council members, have suggested that they might seek a suspension of the oil embargo as early as April.

Mrs. Albright also displayed photographic and other evidence gathered by U.S. intelligence to show that Iraq is rapidly rebuilding a huge industrial plant near Baghdad that could be used for chemical weapons. American intelligence officials estimated that Iraq could be back to building ballistic missiles within one year and chemical weapons in two if it chose.

The officials also provided evidence that Iraq has spent up to $2 billion on palaces for government officials, at a time when basic supplies are scarce for everyday Iraqis.

But many council diplomats will continue to look for ways to keep channels open

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For a Week, Ouagadougou Blooms as Africa's Cannes

By Howard W. French
New York Times Service

OUAGADOUGOU, Burkina Faso — "Wasn't that Wole Soyinka?" someone asked in a crowded hotel lobby, referring to the Nigerian Nobel laureate and dissident, who was spotted darting from one interview to the next.

"Has anyone seen Alice Walker?" another celebrity-watcher wondered aloud, referring to the American novelist who visited here two years ago.

"No, but I did see Winnie Mandela," came the response, a reference to the estranged wife of the South African president, Nelson Mandela. Mrs. Mandela soaked up VIP treatment here briefly, despite a government order not to leave home.

This is usually the quietest of sub-Saharan capitals. But not last week, when Ouagadougou was host to Africa's version of Cannes, a biannual film festival known as Fespaco. The buzz of celebrity-watching, business deals and discussion groups briefly overtakes the whiny din of the town's preferred mode of transportation, the motor scooter.

Red-lettered banners festooned all about town shout slogans like "Enjoy Fespaco and Say Thank-You," and "Going to the Movies Is Like Taking a Trip."

From early morning, when the city's dozen or so theaters open, until night, the thousands who mill in and out appear to have taken the call to heart.

"I don't usually go to the movies at all," said Bintou Ouebraogo, a 24-year-old university student who fought the crowds for a flimsy metal seat under the open sky of the Riale Theater to watch a drama from neighboring Ivory Coast. "But this is the one time when it is exciting to live in Ouagadougou, when our country is even easy for foreigners to find on the map."

American hits like "Pulp Fiction" and "What's Love Got to Do With It?" were among the dozens of films being shown here. But it was a week when Hollywood's products did not stand out, much less steal the show.

For years, African cinema has seemed dominated by slow-paced lyrical epics that explore the mysticism and traditions of rural life. But veterans of the 26-year-old festival said the offerings this year featured more conventional story lines. The shift reflects Africa's growing preoccupation with urban problems, none more prominent than AIDS.

On a typical festival evening, one screen carried the story of an unemployed Senegalese man's obsession with winning the lottery, an obsession that turned him into a wandering lunatic.

At a theater across town, moviegoers watched a prostitute concerned about AIDS argue with a customer over the use of a condom. In a third cinema, an audience wept audibly over the story of a mistreated child who commits suicide.

"You can sense a real consciousness among the artists of the African tragedy,"

See MOVIES, Page 7

Newsstand Prices

Andorra	9.00 FF	Luxembourg	60 L. Fr
Antilles	11.20 FF	Morocco	12 Dh
Cameroon	1,400 CFA	Qatar	8.00 Rials
Egypt	E.P. 5000	Réunion	11.20 FF
France	9.00 FF	Saudi Arabia	9.00 R.
Gabon	960 CFA	Senegal	960 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,600 Lire	Tunisia	1.000 Din
Ivory Coast	1,120 CFA	Turkey	T.L. 45,000
Jordan	1 JD	U.A.E.	8.50 Dirh
Lebanon	US$ 1.50	U.S. Mil. (Eur.)	$1.10

AGENDA

Australian Yacht Sinks in Cup Race

SAN DIEGO (AP) — An America's Cup sloop from Australia sank in heavy winds and rough waves during Sunday's race. All 16 crewmembers were rescued.

It was the new yacht oneAustralia, skippered by the 1983 America's Cup winner, John Bertrand.

The 75-foot carbon-fiber sloop sank in about three minutes, a race official said. There was no immediate word on what caused the accident.

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ING to Buy Barings

AMSTERDAM (Reuters) — The Dutch bank-insurer Internationale Nederlanden Groep NV said late Sunday that its bid to buy Barings PLC had been accepted. "We have just signed an agreement to buy substantially all of Barings PLC's business," said Ruud Polet, an ING spokesman.

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Agence France-Presse

FLYING HIGH — Picabo Street of the United States gliding to her third downhill victory in a row Sunday and her fourth of the season. Page 27.

A 'New' Chirac Bounces Back In French Race

By Joseph Fitchett
International Herald Tribune

PARIS — Jacques Chirac says flatly that future European integration will be gradualist, with a larger hearing for British views alongside the French-German tandem that has dominated the European Union.

A month ago, this view — no matter how innovative — would have been a footnote because Mr. Chirac was widely written off as a French presidential candidate.

But after a political resurrection that has

NEWS ANALYSIS

amazed almost everyone, Mr. Chirac looks like a possible, even plausible next president. That would make him, in the French system, the decisive hand guiding the nation past the year 2000.

Of course, he may still lose in the April-May election to Prime Minister Edouard Balladur, until recently the overwhelming favorite. Mr. Chirac is the first to say that a substantial bloc of voters may not make up their minds until mid-April.

But these days Mr. Chirac looks like anything but a loser. Polls suddenly show him leading the other contenders, including Mr. Balladur and the Socialist Party's candidate, Lionel Jospin.

No one knows whether Mr. Balladur will show new mettle. But his aloof manner, as a cool master of the art of the possible, is cracking after embarrassing government gaffes, including an unseemly espionage quarrel with Washington.

In contrast, Mr. Chirac seems to have hit his public stride, particularly on television.

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Work and Prayer/**A Religious Balancing Act**

New York's Devout Struggle to Reconcile Faith With Job

By Janny Scott
New York Times Service

NEW YORK — A Muslim taxi driver pulls over on Riverside Drive, steps out into the early evening rain, spreads a prayer rug beneath the beams of his headlights, kneels, kisses the ground and begins to pray.

An Orthodox Jewish trauma surgeon on weekend call at Bellevue Hospital Center trudges up 15 flights of stairs, rather than desecrate the Sabbath by riding the elevator to the intensive care unit.

A Mormon architect spends years on the road working on giant development projects abroad, then returns home to New York to realize that he has neglected his family, the very thing his church values most.

Every day in New York City, tens of thousands of people struggle quietly to live by two separate sets of rules — the rules of their religion and the often countervailing demands of high-pressured, secular, urban life.

They are investment bankers and accountants, sidewalk vendors and politicians trying to live devout lives in a city often seen as a latter-day Sodom where ambition and opportunity conspire to corrupt the pure.

Yet in interviews, many say they find New York a strangely hospitable place, perhaps now more than ever, as openly religious people move increasingly into mainstream jobs and each wave of immigration makes the city and its myriad houses of worship more diverse.

Some say they believe New York tolerates, even accommodates, their choices in a way they could find in few other places. Others said the city's constant moral and ethical challenges actually fortified their faith.

"New York is a wonderful place to live a religious life," said Ariel Bybee, 52, a Mormon and a mezzo-soprano with the Metropolitan Opera. "The differences between good and evil are stark here. You have to make a choice."

The choices range from logistical to broadly philosophical:

- What does an ambitious summer associate in a big Manhattan law firm, who happens to be an Orthodox Jew, order for lunch when a senior partner takes him to his stuffy club and even the house salad is sprinkled with bacon bits?
- How does a Mormon who runs a television-network department that produces promotional photos for locally produced shows come up with enticing pictures for steamy soap operas without violating his moral code?
- Can a young Muslim student offered a place at Fordham Law School take out a bank loan to cover the price of her education, even though Islamic law technically prohibits the paying and collecting of interest?

Juggling principle and practicality, they muddle through. They consult rabbis, imams, priests. They make their choices, and sometimes regret them. More often than not, they say, they find life or religion bends.

Yet some conflicts cannot be resolved.

Joseph Owusu, 40, an accountant and immigrant from Ghana struggling to raise a family in the Bronx, spent $35,000 in 1989 to buy a small grocery store on 204th Street, using personal savings and a loan from his boss.

But Mr. Owusu, a Seventh-day Adventist, decided not to sell cigarettes and beer. And, in order to spend the Sabbath in church, he took to closing up shop late Friday afternoon and not reopening until Saturday evening.

Longtime customers stopped coming. They were used to shopping at week's end, right after getting paid. Others abandoned their groceries at the checkout counter in disgust when they could no longer buy a pack of Marlboros.

"It was almost like I was helping kill the neighborhood," Mr. Owusu said sadly, remembering how people stopped playing dominos on the shop's stoop. After just six months, he closed the store. He had lost everything.

The New York Times

Raymond Settducati, a Wall Street banker, taking time to worship at Our Lady of Victory Roman Catholic Church in New York.

Moral conflict is not, of course, exclusive to religious people. Nor is New York City the only place where values are tested. But the city specializes in certain secular seductions, and most religions prescribe a rigorous moral code.

NEW York is competitive and expensive. Vice is visible and the stakes are high. People are confronted daily with conflicts between personal desires and the values by which they say they live.

Religious laws, meanwhile, can be extraordinarily detailed. Jewish law and ethics, for example, cover everything from the need for full disclosure in commercial dealings to confidentiality, inheritance and diet.

"People tend to use the competitive pressures as an excuse to do things they would otherwise not allow themselves to do," said Rabbi Saul J. Berman, an associate professor at Yeshiva University's Stern College in Manhattan, who has counseled professionals.

"But in the final event, people really have to make a choice," he said. "Do they want to conduct their lives according to some set of real values or do what is most convenient at that moment in time?"

It is one of the small, private dramas of modern life.

In New York City, the most common conflicts are logistical, stemming from the need to follow dietary rules, celebrate religious holidays, respect the Sabbath or find time to pray as often as five times a day.

Those conflicts, most said, can usually be resolved. Some marveled at how accommodating New York has become as more openly religious people have joined mainstream companies and restaurants have begun catering to specific diets.

Julius Berman, 59, a partner at the Park Avenue law firm of Kaye, Scholer, Fierman, Hays and Handler, recalled that he was the firm's first Orthodox Jew when he went to work there in 1960.

Now, 16 members of the firm attend afternoon prayer services in his office. An advanced Talmud lecture is given Tuesday mornings in a conference room on the 19th floor; lawyers from nearby firms attend.

Sabbath observers now commonly leave the office at midafternoon on Fridays in the winter. And Mr.

Food, too, is less and less of a problem.

When Abraham Biderman, a former city housing commissioner who is now an investment banker, led a delegation to Tokyo, he simply arranged through a kosher caterer to take along boxes of kosher airline meals packed in dry ice.

He also took 20 pounds of kosher pastrami, corned beef and rugelach. "When everyone else got sick of sushi and what looked like boiled water bugs, they would be coming to my room and eating pastrami," he said.

There are conflicts, however, of a subtler and murkier sort that many say are less susceptible to satisfactory resolution, pitting one deeply held value against another and dividing people within themselves.

AMAL Aly, 27, is one of two twin daughters of Muslim parents who emigrated from Egypt. She grew up in Flatbush and Canarsie, torn in her loyalty to strict Muslim values and to a more American way of life.

Shorts were forbidden, except in gym class. She could not play in the street or go on dates. She stayed inside, reading or watching television. On car trips, she remembers her father stopping at highway rest areas to pray.

Ms. Aly's parents believed strongly in education. She went to New York University, then Fordham Law School. But when she violated Muslim tradition by moving out of her parents' house while unmarried, they balked.

For a long time, her father refused to visit her apartment. Now, however, they are reconciled. Ms. Aly is now married to a Muslim physician (whom she met through her job in a predominantly Jewish, midtown Manhattan law firm).

"It has been very difficult," Ms. Aly said. "But all of that is behind us."

Tony Yamada, 54, an architect and developer and a member of the Church of Jesus Christ of Latter-Day Saints, said he has wrestled for years with the friction between his Mormon values and the demands of his work in an often cutthroat field.

"Business is very competitive, especially in New York," said Mr. Yamada, who lives in Manhattan. "Cheat a little, lie a little are sort of accepted norms, which are absolutely against my church's philosophy."

FOR many years, he also spent long periods abroad, though his faith places the family at the center of life. In putting his work first, he believes, he earned his wife's resentment and alienated his children.

But his work excited him, "creating new things from nothing." And he feared that cutting back would hurt his career. "That's why I sacrificed my family," he said. "I hate to admit it, but I don't think I had to."

Dr. Stuart Mark Greenstein, a transplant surgeon at Montefiore Medical Center in the Bronx and an Orthodox Jew, said he had long felt comfortable living with the ambiguities raised by his work and religion.

He chooses to work on the Sabbath if he is needed, on the principle that saving life takes precedence over all else. He drives to and from work, but parks outside his garage to avoid using the electric garage door opener.

Dr. Greenstein never works, however, on the major Jewish holidays. Yet when Orthodox Jewish patients ask if they should take medications while fasting on Yom Kippur, he tells them yes, but without food and with minimal fluids.

Morocco Meddling In Sahara, UN Says

Rabat Is Said to Try to Retain Hold on Ex-Spanish Colony

By Chris Hedges
New York Times Service

EL AAIUN, Western Sahara — The Moroccan government has been accused of interfering in United Nations planning for a referendum to determine sovereignty in the Western Sahara, a former Spanish colony that Morocco claims.

Former and current UN officials say that Morocco is trying to control the outcome of the vote and to maintain its hold on the area.

Morocco has tapped UN phones, confiscated voter documents from residents here in the largest city in the region and denied others the right to enter registration centers, these officials and local residents said. It also is sending thousands of people from Morocco, who Moroccan authorities say have roots in the area, to the region to register.

The interference violates an agreement by the Moroccan government to allow an open registration process for a referendum to resolve a 20-year effort for independence by residents of the area, which the UN does not recognize as part of Morocco.

The Western Sahara is a bleak, forbidding mass of sand in the western bulge of Africa. But the area is rich in phosphate mines and provides extensive fishing rights for Morocco along the Atlantic Coast.

The Moroccan government has invested hundreds of millions of dollars in local infrastructure.

Morocco's interference in the referendum raises serious questions about its willingness to abide by the results. But the UN is pressing forward, feeling that the vote is the only chance to resolve the region's status.

"The UN has lost control of the mission," Frank S. Ruddy, the former deputy chairman of the UN commission charged with setting up the referendum, said in a telephone interview from Washington. Mr. Ruddy left at the end of last year, shortly before his term was up, after bitter disputes with his superiors at the mission.

"The mission had become, by the time I left, an instrument of the Moroccan government," he said. "The Moroccans in the Western Sahara intimidated the local inhabitants, who were afraid to contact us because of fear of retaliation. It doesn't matter what results come out of the referendum. The Moroccan government will never leave the Western Sahara."

Moroccan government officials deny the charges. They say their critics support the Polisario Front, the guerrilla group that has been battling for 20 years for independence.

"These charges are absolutely false," said Chakib Laroussi, of the Information Ministry. "The people who say these kinds of things are working on behalf of the Polisario to destroy the work and credibility of the United Nations."

A senior UN official in the Western Sahara acknowledged that the problem exists.

"We don't know the extent of the problem, because we don't have direct access to the people on either side," the official said.

Erik Jensen, chairman of the UN commission that is registering voters for the referendum, defended the process, saying it had required compromises by both sides and would eventually help solve the dispute.

The residents of the area, called Sahrawi, were scheduled to vote in January 1992 to choose between remaining part of Morocco or forming a separate state, but the vote has been repeatedly postponed. Senior UN officials said they doubted they would be ready for the newest target date of October.

U.S. officials also said they supported the process, noting that the cease-fire brokered by the United Nations in 1991 has held with few violations. They also contended that both sides are guilty of abuses.

TRAVEL UPDATE

Alitalia Pilots Striking This Week

ROME (AFP) — Pilots of Italy's national carrier, Alitalia, will hold 24-hour strikes on Monday and Friday over a staffing and salary dispute, unions announced. Pilots belonging to the ANPAC union will strike on Monday from 11 A.M., while their colleagues in the APPL union will take industrial action from 10 A.M. on Friday, the unions said in a statement.

The pilots are protesting the hiring last month by Alitalia of two planes and crews of the Australian carrier Ansett as a cost-cutting measure. They are also pressing for an annual pay increase of 24 million lire ($16,000).

Alitalia expressed its "bitterness" on Saturday at the strike announcement, which came two days before a scheduled meeting between workers' representatives and the ministers of employment and transport, Tiziano Treu and Giovanni Caravale.

South African Airways began scheduled flights to India on Saturday. The inaugural flight landed in the western port city of Bombay, the Press Trust of India said. The service will link Johannesburg and Bombay on Saturdays and Tuesdays. *(AFP)*

Belgium warned its citizens on Sunday not to go to Algeria and advised extreme caution for Belgians there after the Armed Islamic Group threatened Brussels with reprisals for breaking up an Islamist network. About 300 Belgiums live and work in Algeria. *(Reuters)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Bulgaria, Cyprus, Ghana, Greece.

WEDNESDAY: Azerbaijan, Belarus, Burkina Faso, Georgia, Kyrgyzstan, Liberia, Moldova, Mongolia, Russia, Syria, Tajikistan, Turkmenistan, Uganda, Ukraine.

THURSDAY: Belize.

Sources: J.P. Morgan, Reuters.

Once Feared, Lyon's Mosque Emerges as Symbol of Tolerance

By William Drozdiak
Washington Post Service

LYON — When a gleaming white edifice known as the Grand Mosque opened its doors last September on the eastern edge of this staunchly Catholic city, fear and resentment were running strong among much of the local population.

The extreme-right National Front was agitating for "active resistance against the danger of Islamic colonization." Neighbors argued in court that the minarets were too tall and the muezzin's calls to prayer would be too loud. Much of Lyon worried whether the mosque would become a breeding ground for Muslim militants.

But only five months after its inauguration, the Grand Mosque has emerged as a popular symbol of reconciliation among France's different religions and ethnic groups. And as Lyon's leading personalities joined in celebrating the end of Ramadan's month of fasting with local Muslims last week, nobody was prouder of the mosque's healing power than Abdelhamid Chirane.

"The protests have completely disappeared because we have shown that French Islam can be a force for moderation and integration," said Mr. Chirane, the Algerian-born grand mufti of Lyon's Muslim community.

"It is hard for France to embrace Islam because previous waves of immigrants were mainly Christian," he added. "But we are now on the way to becoming part of the culture."

The mayor's office confirmed that neighborhood complaints about the mosque had stopped.

Now that the $5 million Lyon mosque, built with a grant from Saudi Arabia's King Fahd, has become what Mr. Chirane calls "the primary address" of French Muslims after 17 years of vehement local opposition, he wants to move more quickly to establish French Islam through the construction of more mosques, cemeteries, schools and slaughterhouses.

In January, the French government officially recognized Islam as the country's second biggest religion, a status that allows Muslim organizations to qualify along with Catholics and Jews for state stipends. But despite such formal acceptance, the public's willingness to embrace Islam as an integral part of French culture remains fraught with suspicion.

Algeria's civil strife continues to fuel anxiety that France could be destabilized by an Islamic takeover in its former colony. There are strong fears of grave social disturbances if the community of 4 million Muslims living in France should swell with a large wave of North African refugees.

In November, the French Interior Ministry arrested 95 Islamic militants suspected of supplying weapons to Algerian Muslim extremists who are waging a bitter underground war against the army-backed government. Last week, another arms cache, including rocket launchers, machine guns and more than 8,000 rounds of ammunition, was discovered by the police in a Parisian suburb where many Muslims live.

Even though the vast majority of French Muslims are appalled by the violence advocated by religious extremists, Mr. Chirane said he was distressed by the persistence of the stereotype in the Western mind that equates Islam with terrorism.

"These misunderstandings grow out of an amalgam of ugly images that people watch on television," said Mr. Chirane, who has lived in France for 30 years. "Iran, Algeria, terrorists all blend into a simplistic and ignorant view that Islam means violence and fanaticism. I'm afraid that we have a long, slow education process ahead of us."

While the French government views militant Islam as one of the nation's main security threats, Paris also recognizes the need to channel the religious beliefs of the country's Muslims into a tolerant strain that can coexist with other faiths in a secular political democracy.

"The tree of fundamentalism must not hide the forest of moderate, tolerant and discreet Islam," Interior Minister Charles Pasqua said at the mosque's inauguration.

■ **German Mosque Opens**

Thousands of mostly Turkish worshippers gathered in Mannheim for the inauguration of Germany's largest mosque, Agence France-Presse reported. Osman Oezay, president of Mannheim's Islamic Federation, said the mosque's completion was an important step toward the integration of Turks into German society.

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THE AMERICAS

On Capitol Hill, the Fiscal Battle Lines Are Drawn at Last

By Robin Toner
New York Times Service

WASHINGTON — From the committee rooms of the House to the floor of the Senate, there was a clear sense on Capitol Hill last week that the battle over the nation's fiscal and spending priorities was fully joined.

After two months when the Republicans seemed to dominate the political agenda almost effortlessly, the Democrats are finding their voice as a minority party.

They realized almost warily that they could win one, on occasion, with the Senate's rejection of a constitutional amendment to require a balanced budget, although the Republicans immediately moved to blunt that victory.

And the underlying terrain is changing: The Republican leadership is headed inexorably toward a series of spending and budgetary decisions that they acknowledge will be hard, a test of the unity they have shown on other, more politically palatable issues.

"As we look over the next four weeks, I expect that the rhetoric will be much higher, the issues more difficult," Representative John Boehner, chairman of the House Republican Conference, said in an interview. "But we'll continue to succeed."

The two parties, in short, are entering one of those periods in congressional politics — like last year's struggle over health care, or the 1993 battle over President Bill Clinton's budget — where lines are drawn and images defined.

Added to the mix is an array of groups that are mobilizing to protect themselves as these cuts begin, a process already under way in the House Appropriations Committee but soon to be engaged on a much broader scale in the main budget and tax-writing committees of the House and Senate.

The debate on Capitol Hill will no longer simply be about broad — and hard to oppose — goals, such as putting the country on a "glide path" to a balanced budget or "fundamentally transforming" Medicare. The fight is getting down to specifics — and it is getting bitter.

Haley Barbour, chairman of the Republican National Committee, said: "The people who have been at the trough for 40 years, who've had on the Democratic feed bag — we don't expect them to take it off voluntarily. We expect the left to be very shrill and emotional in their opposition to savings, to making government smaller and more effective. And we expect them to distort."

Senator Christopher Dodd of Connecticut, Mr. Barbour's counterpart at the Democratic National Committee, said: "To their regret, they now don't have the cover of a constitutional amendment to propose the Draconian cuts they want to make in Medicare and in children's programs. They've taken defense spending off the table. Farm issues will probably get taken off the table. They've painted themselves into a corner in many ways."

The debate is evocative, in some ways, of the struggles over budget cuts in the first years of the Reagan administration, but it is colored by each party's experience in the intervening years.

Republicans, this time, are determined to protect themselves from the charge of being hard-hearted; Democrats, this time, are intent on avoiding the charge of being spendthrifts.

Republicans regularly invoke their children and grandchildren these days when they talk about the need to rein in federal spending and bring down the deficit.

"The liberals will focus on the pain today as we look at balancing the budget," Mr. Boehner said. "What we've got to do is rivet the American people's attention on who the balanced-budget amendment really affects, and that's our children and grandchildren."

Frank Luntz, a pollster and adviser to the House Republicans, warned in a internal memorandum earlier this year, "The moral force for balancing the budget must be stronger than the pseudo-moralists who will decry the specific budget cuts."

Mr. Luntz's memo said, "We must match our opponents story for story — the personal and national immorality of passing along increasing debt to our children and future generations versus their budget-cutting horror stories."

The Democrats are escalating their campaign against the Republicans as a party intent on financing tax cuts for the affluent through spending cuts on programs for children and the elderly. Mr. Clinton used his radio address on Saturday, for example, to focus on drug-prevention programs for children and adolescents.

Simpson Lawyers Punished for Tape

Fines End a Bizarre Episode

By David Margolick
New York Times Service

LOS ANGELES — A bizarre episode in the O.J. Simpson trial has ended, at least temporarily, with Judge Lance A. Ito punishing two defense lawyers for withholding from prosecutors an audiotaped interview with Rosa López, an important defense witness.

Judge Ito fined the lawyers — Johnnie L. Cochran Jr. and Carl Douglas — $950 each for failing to give prosecutors the recording, in which Mrs. López was questioned last summer about the night when Mr. Simpson's former wife, Nicole, and her friend Ronald L. Goldman were killed. Prosecutors say the tape shows that Mrs. López was coached in her testimony.

Still, despite a battering cross-examination conducted out of the presence of the jury, Mrs. López, a former housekeeper for the football star's neighbors, remains Mr. Simpson's most crucial alibi witness, having said she saw his Ford Bronco outside his home on June 12 when, prosecutors maintain, Mrs. Simpson and Mr. Goldman were slain.

More stinging than the fine Judge Ito levied, however, was his language. By assuring prosecutors and the court that the defense had handed over everything that California's reciprocal discovery law requires, he wrote, Mr. Cochran "made untrue representations in reckless disregard of the truth."

And Mr. Douglas, he noted, was a repeat offender, having been punished for discovery violations before.

Judge Ito also ruled that should defense lawyers choose to play the videotape of Mrs. López's testimony, the jurors will be told that the defense violated the law. They also will be told that Mr. Simpson's lawyers were responsible for delaying the case for four days.

"You may consider the effect of this delay in disclosure, if any, upon the credibility of the witness involved and give to it the weight to which you feel it is entitled," the judge said he would tell the jury.

After Friday's court session, Mr. Cochran reiterated that he had known nothing about the tape and waxed philosophical about the ruling.

"I'll live with what the judge does," he said. "He didn't find it to be a lie, and he knows I wouldn't lie to him."

He also called Mrs. López "a remarkable woman" who had "held firm to the things she came in saying," namely that she had seen Mr. Simpson's Bronco, parked slightly askew, outside his home shortly after 10 P.M. on June 12.

But he would not say whether the defense planned to play for the jury Mrs. López's contradictory testimony, a risky maneuver even before Judge Ito's ruling that an admonition would be attached.

The prosecution, which had spent two days challenging the precise time when Mrs. López said she saw Mr. Simpson's Bronco, tried Friday to show that she remained so close to her home that night that she could not possibly have seen the car at all.

Before concluding her testimony — and returning to El Salvador because of what she described as harassment by the press — Mrs. López retraced the path she took shortly after 10 P.M., when she took her employer's dog out for a walk.

By focusing on Mrs. López's various phobias — of the darkness, of snakes and rats, and of a prowler she thought she had just heard — Deputy District Attorney Christopher A. Darden tried to show that she had not left her ivy-enclosed yard and so would not have been able to see the Bronco.

In the afternoon as her testimony was concluded, Mr. Cochran set out to rehabilitate Mrs. López. Under his gentle questioning, she maintained that she had seen Mr. Simpson's Bronco.

John Hrynnak/Reuters

TOUR OF INSPECTION — Cameron Gravelle, age 2, looking for his father in the ranks of the Canadian Airborne Regiment. The regiment was parading for the last time before being disbanded at its base in Petawawa, Ontario.

Citing Risk, U.S. Curbs a Takeoff Practice

By Don Phillips
Washington Post Service

WASHINGTON — The Federal Aviation Administration has issued an emergency order barring a commonly used air traffic control practice that expedites takeoffs from busy airports. The order came after five potentially disastrous incidents in as many months.

The directive may produce delays at some major airports during nighttime hours, particularly at airports such as Memphis, which has a heavy night schedule as a hub for Federal Express.

The order prohibits air traffic controllers from allowing planes to taxi onto an active runway between sunset and sunrise and then hold there until they are cleared for takeoff.

The practice of taxi-and-hold allows air traffic controllers to push more planes into the air during busy periods. The departing plane is ready to go the instant it receives takeoff clearance instead of using several seconds to pull from a taxiway onto the runway.

Bill Jeffers, the board's air traffic manager, called the action "drastic," but said it was required because of several close calls in recent months in which planes directed to hold on a runway were overflown by a landing aircraft using the same runway.

The most recent incident, which sparked an investigation by the National Transportation Safety Board and led to the board order, occurred a week ago at the Dallas-Fort Worth airport when an American Airlines jetliner flew over a 19-seat Lone Star Airlines commuter plane.

The 8:53 P.M. incident involved a McDonnell Douglas MD-11 jumbo jet, American Airlines flight 2351 from Chicago, which can carry 250 people but was lightly loaded with 58 passengers and 10 crew members.

An American Airlines operations manager said the jet touched down no more than 2,000 feet in front of the smaller plane.

Mr. Jeffers said that since September of last year there have been four similar incidents, three of which came at night. He did not identify the other incidents.

The practice came under attack after a 1991 crash at Los Angeles International Airport when a USAir Boeing 737 landed atop a small turboprop that was awaiting takeoff.

Investigators determined the turboprop had been directed to the runway by an air traffic controller who then forgot it was there. Thirty-three people were killed.

Controllers will still be allowed to use the taxi-and-hold procedure during daylight hours.

In addition to the nighttime ban, the board ordered a review of air traffic controller training.

AMERICAN TOPICS

Campus Codes on Hate Speech Are Losing Out to Free Speech

Less than a decade after rules banning offensive words began cropping up at U.S. colleges and universities across America, the brief reign of these campus speech codes appears to be drawing to a close.

A county court ruling last month declaring Stanford University's ban on hate speech unconstitutional is the latest in a string of legal setbacks for such codes.

The court decisions, and derisive attacks by critics of campus "thought police," are spurring colleges to scrap or retool rules that may run afoul of the First Amendment protecting free speech.

The Stanford decision was the latest in a series of rulings that have struck down speech codes across the country. It "is the final nail in the coffin," said Sheldon Steinbach, general counsel for the American Council on Education, which represents 1,700 colleges and universities.

Campus wars over race and gender have hardly died down. But speech codes make martyrs of loudmouthed boors, and leave other students fearful of making a race or gender faux pas.

"If you're fearful that somehow you will misspeak," Mr. Steinbach said, "you wind up avoiding the very people you need to get to know."

Short Takes

If you don't want to drink red wine to keep your arteries unclogged, drink plenty of grape juice instead, advises a University of Wisconsin Medical School research team headed by Dr. John Folts. He said that numerous studies over 30 years had shown that moderate alcohol consumption reduces atherosclerosis, the buildup of cholesterol and fats within artery walls. Researchers said the protection comes not from alcohol but from naturally occurring compounds in grape skins, stems and seeds. Dr. Folts said drinking six glasses of grape juice a day appears to have the same anti-clogging effects as two glasses of red wine.

Two teachers speaking in sign language coaxed down a deaf man threatening to jump off a 20-story building in New York, the police said. After the 31-year-old man was spotted on the roof and it became plain he could not hear shouted remonstrances, two teachers from a nearby school for the deaf relayed messages between him and the police. Nobody was injured.

A Boston doctor who felt his heart racing dangerously zapped himself with his office defibrillator to jolt it back to normal. The New England Journal of Medicine reports that Dr. Jean Cukier, a plastic surgeon, accidentally shocked himself while trying to fix a lamp in his office. He grew dizzy and felt his heart beat rapidly.

Worried he was about to pass out, he smeared himself with conducting jelly, placed the defibrillator paddles on his chest and turned the thing on. The first jolt threw him off the table but failed to fix his heart. He climbed back and tried it again. This time it worked.

Dr. Amin H. Karim, who eventually treated Dr. Cukier, said he probably would have been better off calling for an ambulance. "What if he had passed out?" Dr. Karim said. "He could have put himself into a more dangerous rhythm. If that had happened, it would have meant cardiac arrest."

The U.S. Army is moving out of the Presidio, the 1,480-acre (600-hectare) San Francisco base guarding the Golden Gate, and the National Park Service is moving in. Established in 1776, the Presidio was the westernmost garrison in the Spanish empire. The newly independent Republic of Mexico took it over in 1822, and the Americans occupied it in 1847. Under all three flags, the bluffs were ringed with cannon, but in 219 years, The New York Times notes, the guns were never fired in anger.

International Herald Tribune

Ex-Investigator of Killing In Mexico Detained by U.S.

By Tim Golden
New York Times Service

MEXICO CITY — The former chief investigator into a politically charged assassination case in Mexico is being held by federal authorities in the United States after being arrested in Newark, New Jersey, as he boarded a plane for Madrid with nearly $50,000 in cash.

The former official, Mario Ruiz Massieu, was detained late Friday by customs agents at Newark International Airport for having falsely claimed to be carrying only $18,000 in Mexican and U.S. currency.

But two senior Mexican officials said Saturday that the arrest came after the Mexican government alerted U.S. officials to the movements of Mr. Ruiz Massieu, 44.

They said he would be charged with obstructing his own investigation into the slaying in September of the second-ranking leader of Mexico's governing party, José Francisco Ruiz Massieu, his elder brother.

The officials also said Mexico would file a request for his extradition by Monday, when he is to be arraigned in U.S. District Court in Newark.

Mr. Ruiz Massieu left Mexico on Thursday, hours after testifying to federal police, who said he appeared to have been responsible for a series of irregularities in the inquiry.

POLITICAL NOTES

Holdout Offered to Quit the Senate

WASHINGTON — Senator Mark O. Hatfield of Oregon, the only Republican to vote against the balanced budget amendment when it fell one vote short of passing the Senate last week, offered to resign before the vote, Senator Bob Dole said Sunday.

Although Mr. Dole, the Republican leader in the Senate, said he had turned the offer down, he did not rule out punishing Mr. Hatfield by taking away his committee chairmanship. Mr. Hatfield's resignation from the Senate would have allowed the constitutional amendment requiring a balanced federal budget to pass with the required approval of two-thirds of those voting.

"He told me he would resign before the vote if that would make it possible to win with 66 votes instead of 67," Mr. Dole said in a television interview. "I said, 'That's not an option, Mark, that's not an option.'"

Mr. Hatfield voted in favor of a balanced budget amendment in 1982, but last week he called the amendment a "procedural gimmick" that gave no indication of how Congress would bring the budget into balance.

Mr. Dole said he expected to be asked to punish Mr. Hatfield by removing him as chairman of the Senate Appropriations Committee, one of the most powerful assignments in the Senate.

"I've been told by at least one Republican senator that there's a lot of frustration, a lot of newer members and others who feel that, you know, this ought to be examined," he said.

Will there be some punishment? "It's difficult to do in the Senate," said Mr. Dole, who added that he had not made any judgment on the matter. *(NYT)*

Clinton Organizes Early for 1996

WASHINGTON — As a string of Republicans line up to challenge him, President Bill Clinton's direct preparations for re-election have been mostly financial: signing on a chief fund-raiser, drafting a fund-raising plan and arranging for a re-election committee to open for business by May.

History suggests that early preparations by presidents do little to ensure re-election. President Jimmy Carter had a re-election operation in place by March 1979. Weakened by a primary challenge and poor economy, he lost. Presidents Ronald Reagan and George Bush settled on October the year before election to open their formal campaigns. Mr. Reagan won; Mr. Bush, weakened by a primary challenge and an economy just emerging from a recession, lost.

Historically, Mr. Clinton is starting early, with the White House deputy chief of staff, Harold Ickes, overseeing the preparations. But with the exception of fund-raising plans, those preparations are a minor part of the season's major effort.

"Our political goal for the next months is not who's going to do what in the campaign, it really is to continue to define what we are about, compared to what they are about," said a senior official. "There has been an awful lot of criticism that no one knows what we stand for. The overall imperative is to sharpen the definition by what fights this president takes on." *(WP)*

Food Stamp Cuts Charted in House

WASHINGTON — Republicans in the House of Representatives have crafted legislation that would reduce spending on the food stamp program by $16 billion over the next five years as part of the party's effort to redo the nation's welfare programs, according to House Republican documents.

The savings, which would average more than $3 billion a year for five years in a program that annually provides $23 billion in benefits to 27 million people, would come from such steps as tightening eligibility, cracking down on fraud and eliminating some planned increases tied to the cost of food, according to documents obtained by The Washington Post.

Currently, a family of three is eligible to receive food coupons if the family's monthly income is $1,027 or less. The House Republican proposal would require the secretary of agriculture to advise Congress every three months on what the department was doing to keep expenditures within appropriated limits.

If they have no dependents, able-bodied food stamp recipients between ages of 18 and 50 would be required to work or lose benefits after three months, according to the documents. The House Agriculture Committee is scheduled on Tuesday to prepare the food stamp legislation for submission to the House floor. *(WP)*

Reagan's Wife Recalls Better Days

WASHINGTON — Former President Reagan is doing "fine" since his diagnosis of Alzheimer's disease, although the mind-crippling illness is wrenching for his wife, the former first lady has said.

In a CNN interview, Nancy Reagan would not elaborate on her husband's physical condition. But, "there've been better" days, she said.

Asked if Alzheimer's was harder on loved ones than patients, Mrs. Reagan responded, "That's true." And, reflecting on the joys of her life, she added: "You pay for everything, don't you?"

Mr. Reagan, 84, disclosed in November that he was in the early stages of Alzheimer's, an incurable neurological disorder that destroys brain cells, resulting in progressive memory loss.

Mrs. Reagan spent the interview on Saturday reviewing her husband's life through displays in the Reagan presidential library in Simi Valley, California. She also pointed out the couple's burial plot. Her husband liked the location, she said.

"I think he'll be very happy there," Mrs. Reagan said. "I mean, the view is pretty." *(AP)*

Quote/ Unquote

Representative Jim Brownback, Republican of Kansas, after his discovery that Congress employs what he called an "esthetician," along with a barber, who provides facials for people in the Capitol: "The last thing Congress needs is another facial. I mean, Congress doesn't need a facial; it needs a fire hose." *(NYT)*

Away From Politics

- **The movie theater where Lee Harvey Oswald was arrested** after the assassination of President John F. Kennedy in Dallas in 1963 was destroyed by fire. *(Reuters)*
- **A partly devoured woman's body** was found in the outdoor lion enclosure at Washington's National Zoo. A zoo official said two lions were in the enclosure at the time. *(AP)*
- **Astronauts aboard the space shuttle Endeavour** focused special telescopes on a star-like object at the edge of the universe — so distant that its light took 10 billion years to reach Earth. They also captured in their viewing screens Jupiter and its moon Io. *(Reuters)*
- **A 16-year-old sought in the shooting deaths of his parents** in eastern Pennsylvania was arrested in Missouri after apparently running out of gas 900 miles from home. Jeffrey Leigh Howorth walked out of woods and surrendered to policemen. The family car he took was found abandoned on Interstate 70 near Williamsburg, Missouri. *(AP)*
- **A landslide in La Conchita, California,** destroyed or damaged at least nine homes. No injuries were reported. *(AP)*

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Russia's Leader, for Now

Yeltsin in Perspective

When the Soviet leader Mikhail Gorbachev found Communist Party member Boris Yeltsin too mercurial for his *taste, he bounced him from the ruling* Politburo. Although some in Washington seem to wish otherwise, President Bill Clinton does not have that kind of option available as he tries to keep relations with *President Boris Yeltsin on an* even track. But there is more that the Clinton administration can and should do to talk bluntly with Mr. Yeltsin about misguided policies that are turning Russia away from reform.

President Yeltsin has not looked so attractive lately. His brutish offensive in Chechnya is a political and military disaster. He has cut loose reformist advisers and embraced a clique of military and internal security aides pushing *repressive policies at home and a Soviet*-style agenda abroad. His health is deteriorating or his drinking increasing.

The temptation to turn sharply away from Mr. Yeltsin and deal with other Russians is understandable, but mistaken. The United States worked with far *less appealing Soviet leaders when* American vital interests were at stake, as they are today in the preservation of political and economic reform in Russia, and the dismantling of Moscow's nuclear arsenal. Washington needs to find a formula that keeps Mr. Yeltsin at the center of relations, where he must remain as the democratically elected leader of Russia, while not making the United States his cheerleader. That means engaging him in an honest dia*logue about his leadership, not disen*gaging from his presidency. It is a difficult balancing act. The partisan heat of the American presidential campaign will not make it any easier.

President Clinton got the balance right in his news conference on Friday, saying *that he would freely criticize but not shun* Mr. Yeltsin. His administration has not always done so. While criticizing the Chechen war, it has stuck doggedly by Mr. Yeltsin in recent weeks, cheering him on as the guardian angel of reform despite *his increasingly tarnished record.*

This is no time to canonize Mr. Yeltsin or to suggest that he holds exclusive title to reform in Russia. That makes the Clinton team look credulous, and un*dermines its defense of indispensable* programs like the American aid that helps Russia deactivate and destroy its nuclear weapons.

Bob Dole, the Senate Republican *leader and presidential candidate,* may lean too far the other way. He called last week for distancing the United States from Mr. Yeltsin, without specifying how to accomplish that or describing the potential consequences.

Like Mr. Dole, we have argued that *Washington must not lock itself in a* bear hug with Mr. Yeltsin the way it did with Mr. Gorbachev when his leadership was increasingly ephemeral. But keeping Mr. Yeltsin in perspective, and keeping lines open to reform leaders, is different from cutting Mr. Yeltsin out of the picture. Mr. Clinton does not have the luxury of bypassing Mr. Yeltsin to deal with others he might prefer.

Another generation of reformers is waiting to pick up the work that Mr. *Yeltsin started, like former Prime Minis*ter Yegor Gaidar and the economist Grigori Yavlinsky. There are also politicians like Vladimir Zhirinovsky and generals like Alexander Lebed eager to turn back the changes already transforming Russia.

Writing off Mr. Yeltsin can only be *taken as an effort by Washington to* tinker with volatile political dynamics in Moscow, and is sure to backfire. If Russians are as unhappy with Mr. Yeltsin as opinion polls show, they will elect another president next year. That is their choice, not Washington's.

— THE NEW YORK TIMES.

The Yeltsin Question

It is not hard to understand why some Americans now think of cutting Russia off. Three earlier reasons for a "bet on Boris" policy are at best in suspension. *Progress toward democracy is being* checked by a trend, which President Boris Yeltsin himself feeds, to "creeping authoritarianism." Progress toward market reform has yet to meet the tests of the international banks. Foreign and military policy has reawakened fears of reversion *to a traditional imperialism. Little won*der that some believe it is time to look for a new policy, if not also for a new leader. The sharpest such recommendation yet came last week from Republican presidential hopeful Bob Dole.

Once hailed as a brave democratic reformer, *President Yeltsin has deeply* disappointed early admirers. And it matters to the United States. Beyond current frictions, a reversion to dictatorship or a slide into chaos would directly threaten American interests.

But it is one thing for an opposition *figure like Senator Dole to publicly give* up on a foreign leader and, as President Bill Clinton made clear on Friday, another thing for the American government. The United States has dealt with Mr. Yeltsin on, among other issues, European security and nuclear control, and has much more to deal with him on. *He is not* only the elected leader. He is also the first elected leader in Russia's 1,000 years. The United States cannot fail to support democratic legitimacy in Russia to the full extent that Russians practice it.

Mr. Yeltsin needn't be further coddled. *Disappointingly,* Mr. Clinton, having just promised on Friday to address differ*ences, followed up by expressing sympa*thy not for Russia's victims in Chechnya but for Mr. Yeltsin's "difficult problem" there. Nonetheless, easy advice to butt out of Moscow's political struggles — by, critics suggest, turning off or even rescinding American aid — founders on the *fact that such a strategy would itself con*stitute gross interference. It would be exceedingly chancy, too.

American officials have been quoted as saying that the West should look for an alternative leader. Mr. Clinton was at pains to take his distance from these *reports on Friday and to deny that he had* a "Yeltsin-centered policy," and for a good reason. Given their sensitivity to suspected foreign intrusions, Russians should not unnecessarily be made to feel that they are being crowded.

But Russian pride does not preclude *Washington from tough and fair criticism* of Russian error. Nor does it keep Washington from expecting Russia to clean up its Chechnya act in order to make it possible for Mr. Clinton to accept its summit invitation in May. It does require Washington to make constantly clear that Russia's errors are Russia's to correct, and its fate Russia's to design.

— THE WASHINGTON POST.

A Job for South Africans

Winnie Mandela, the estranged wife of *South Africa's president,* Nelson Mandela, is charged by police with defrauding four impoverished black communities. The continuing descent of this former heroine of the anti-apartheid struggle is an individual tragedy, not a metaphor for the larger story of the African National Congress in power. Still, corruption is a serious problem in South Africa, from *bribe-seeking police and customs agents* to the kickbacks sought from businesses by rainmakers trading off old ANC connections. So far there is no evidence directly implicating top officials of the new government, a favorable contrast with the last years of white rule.

But relative virtue is not good enough. If fickle international investors are to be attracted to South Africa, and poverty is to be mitigated and adequate public services provided, the Mandela government and the ANC leadership must not tolerate official corruption. Past sacrifices made on behalf of the anti-apartheid movement cannot be a license to loot the public trust.

The latest moves against Mrs. Mandela, like the forced withdrawal from a diplomatic posting of another renowned anti-apartheid leader, Allan Boesak, help *convey that message. But a more system*atic campaign is needed before a culture of corruption becomes entrenched. American businesses that left South Africa to protest apartheid and now seek to return can help by resisting the offers of those who would throw deals their way.

President Mandela's moral authority makes his participation essential to an anti-corruption campaign. He has already charted the rhetorical foundations for such an effort with two stern and powerful speeches.

As with many other areas of day-to*day management, much depends not just* on Mr. Mandela but also on his second in command and potential successor, Deputy President Thabo Mbeki. Mr. Mbeki has not yet publicly given the corruption issue the high priority it deserves. An alarmed South African public, including *honest ANC militants and members of* the local business community, are urging him to take up this important fight. The Clinton administration and American businesses should join their voices to this righteous South African chorus.

— THE NEW YORK TIMES.

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Remembering Stalinist Boots on the Staircase at Night

By Adam Hochschild

WASHINGTON — In Russia, Sunday was not an official holiday, and it was not the birthday of anyone famous. But millions of people throughout the *entire former Soviet Union drank* a vodka toast Sunday night. They celebrate on every March 5. It's the day Stalin died.

In his last hours on March 5, 1953, Stalin paid the price for the fear he inspired. After suffering a cerebral hemorrhage alone in his bedroom, the dying dictator lay unattended the entire next day. No one dared open the door and go in. Maids, guards, doctors and even cabinet ministers were too terrified to enter without permission.

Stalin was absolute ruler for some 25 years. Unlike Mao Zedong, he shared power with no one. Unlike Hitler and Mussolini, he died in office.

Unlike any of them, and to the dismay of Russia's beleaguered democrats, he is regaining popularity. In a recent Russian opinion poll he won a higher approval rating than Mikhail Gorbachev.

Most historians now blame Stalin for the deaths of some 20 million people. Some were shot, some starved in man-made famines. Some never returned from the immense network of prison camps. Few families were untouched.

"The arrests had one unique feature — the sound of boots booming up the stair*case," recalls Alexander Milchakov,* a Moscow journalist whose father spent years in the gulag. "When the secret policemen climbed the stairs, the tenants racked their brains trying to figure out where they were headed. Would they stop one flight higher? Or lower?"

When an entire era was defined by those midnight boots on the staircase, why *today do some Russians carry Stalin's* picture at protest marches and yearn for the good old days when he was in charge?

In any country, declining income and a humiliated national pride can make people nostalgic for a glorious past. It is the myth of the Great Yesterday, as the Polish writer Ryszard Kapuscinski says. Hitler's followers were fueled by the Great Yesterday, as are, in part, many Muslim fundamentalists. The Russians' Great Yesterday is sometimes Stalin's era, sometimes the czars'. In right-wing demonstrations, portraits of Stalin and Nicholas II occasionally appear in the same crowd.

Whichever Great Yesterday an angry Russian chooses, it looks better than today. The *country's economy began* unraveling in the late 1980s, and no end is in sight. In 1991 the entire Soviet Union vanished as quickly and mysteriously as a puff of smoke. And now Russia has become trapped in a humiliating quagmire in Chechnya. The army may face years of ongoing guerrilla attacks from the Chechens, and perhaps from other unhappy ethnic groups in the Caucasus as well.

The Soviets inherited their huge, restless, multiethnic empire from the czars, *and this is not the first time that armed* rebellions have shaken it. The Red Army put down nationalist guerrillas in Central Asia in the late 1920s and in the Ukraine and the Baltics in the late 1940s, and rebelling gulag inmates in the early 1950s.

The difference, of course, is that those *earlier conflicts were out of sight.* There were no objections from human rights do-gooders abroad and from soldiers' mothers at home. There were no television cameras to record the army's embar*rassing blunders and losses. And so mil*lions of conservative, older-generation Russians recall the Stalin years as a time of glory. The Red Army won every battle. There was order. The trains ran on time. Newspapers were full of good news. No protesters spoiled the parades.

If, by any chance, anyone did protest, or even thought of protesting, Stalin acted swiftly. After all, he exiled the entire Chechen people to Siberia, en masse, for allegedly collaborating with the Germans. Stalin wore a Soviet marshal's uniform but acted more like an ancient despot. If someone looked suspicious, then off with his head. If a whole ethnic group looked suspicious, deport them all.

Unfortunately, this kind of simplistic thinking has dangerously wide appeal in Russia today. For hundreds of years, Russians have had no experience with the necessary awkwardness of democracy, which is, after all, a disorderly and inglorious business, filled with argument and painful compromises. The deeper Russia slides into economic and ethnic chaos, the greater the nostalgia for the old days. We will see many more of those demonstrators carrying Stalin's portrait.

*More dangerous yet is the rising influ*ence of hard-liners in the military and security forces who are politic enough not to carry his portrait but who nonetheless appeal to the Great Yesterday nostalgia. Back then, they say, there was order, food on the shelves, respect for authority — and a far wider set of national boundaries. Recurrent rumors of a military strongman seizing power sweep the capital. The main thing delaying a coup, many Russians feel, is that the military has no clearer idea of how to fix the economy than anyone else.

The current favorite of the get-tough neo-Stalinists is the *charismatic Lieuten*ant General Alexander Lebed, who several weeks ago called on Boris Yeltsin to resign. General Lebed says he would take power only by constitutional means — but he has repeatedly praised someone without such scruples — Chile's General Augusto Pinochet.

"What's wrong with a military dictator?" General Lebed asked a British correspondent a few months ago. "In all of its history, Russia has prospered under the strictest control. Consider Ivan the Terrible, Peter the Great, Catherine the Great or Stalin."

Despite such talk, many wiser Russians celebrated on Sunday. Tens of thousands of survivors of Stalin's labor camps are still alive, as are millions more of their children who remember those boots on the staircase.

"I still regard March 5 as a holiday," says Lev Razgon, a Moscow writer who was in an Arctic gulag camp when Stalin died. "Beginning with the first day. We chipped in: It was two hundred rubles plus 10 cans of meat, and for that a guard bought us a bottle of vodka . . ."

Mr. Hochschild's book "The Unquiet Ghost: Russians Remember Stalin" appears in paperback this month from Penguin. He contributed this comment to The Washington Post.

It Isn't True That Americans Have Renounced a Role in the World

By Thomas L. Friedman

WASHINGTON — Bob Dole remarked the other day that voters sent Washington a "loud and clear" message last November but no one is quite sure "what the precise message was." That is particularly true in foreign policy.

Yet, despite the absence of any clear *foreign policy mandate,* the Republicans (and many Democrats) have simply assumed that the public wants to shrink America's role in the world, along with shrinking the federal government. They are wrong. The American people are not nearly as isolationist as the moronic politicians who speak in their name.

The Chicago Council on Foreign Relations has been tracking American attitudes on foreign policy since 1974. Its latest poll, conducted by Gallup and released on Sunday, shows 65 percent of those surveyed saying the United States should "take an *active part" in world affairs rather than* "stay out." That is up from the 1980s.

The poll shows that the public also wants to avoid unnecessary entanglements abroad, yet about half the respondents believe that the United States plays a more important role in the world today than it did a decade earlier — the highest number ever recorded by these surveys.

Fifty-one percent said "strengthening the UN" should be a "very important" goal of *foreign policy (up seven points since 1990),* which suggests that the U.S. public is still ready to shoulder burdens of internationalism but doesn't want to do it alone.

There are some loud and clear messages in those numbers.

For Republicans, the message is that you *have become lazy in foreign policy. For two* years all you had to say was "Clinton foreign policy" and everybody laughed, as if the joke were obvious (which at times it was). Now that the Republicans are back in power in Congress, what is obvious is how little fresh thinking they have actually *done beyond those three words.*

Newt Gingrich and Bob Dole have been playing a double game. They use "UN" and "Boutros Ghali" as four-letter words when they want to appeal to Republican isolationists without high school degrees, and then call for Mexico bailouts when *they want to appeal* to Republican internationalists with Wall Street portfolios.

But the Mexico bailout failed in Congress because you cannot summon a constituency for internationalism with the snap of a finger. You need to nurture it all the time, and that is hard to do when speaking out of both sides of your mouth at once.

For Bill Clinton, the message is: You have a habit of going in and out of hibernation on foreign policy, and for months now you have been in hibernation, leaving your foreign policy team home alone.

Some Clinton political handlers believe that if he talks too much about the Middle East, people will think he isn't working for the middle class. Nonsense. His political authority would be enhanced by speaking out more on foreign policy, because that is part of every American's intuitive definition of being presidential.

When President Clinton comes out of hibernation, as he did last week in an address against isolationism, he can be extremely effective. He has good instincts on foreign policy, because foreign policy is just politics with a bigger map. But too often he won't trust those instincts, so others fill in the vacuum and tie his hands.

To both parties the message is: After the war against Iraq, George Bush declared that the United States had finally "kicked" its Vietnam syndrome, a total aversion to intervention abroad. Unfortunately, the Vietnam syndrome has been replaced among politicians with the Gulf War syndrome.

The Gulf War syndrome says that the United States will engage in military operations abroad only if they take place in a desert with nowhere for the enemy to hide, *if the fighting can be guaranteed to last no* more than five days, if casualties can be counted on one hand, if both oil and nuclear weapons are at stake, if the enemy is a madman who will not accept any compromise and if the whole operation will be paid for by Germany and Japan.

It is time to shake that syndrome as well. The Gulf War is not a guide for the future; it was a solar-lunar eclipse that comes along as often as Halley's comet. Using it as the criterion for engagement abroad is a covert prescription for isolationism. The people deserve better. They are ready to do more. But someone *has to lead them.*

The New York Times.

Dole Needs to Reflect Some More About Cooperative Foreign Policy

By Stephen S. Rosenfeld

WASHINGTON — Bob Dole has the tough, savvy hard-edged foreign policy you would expect of a Kansas Republican conservative who fought in World War II, has long taken a vigorous, mostly opposition part in Washington's own policy wars and now aspires to cross from the Senate *majority leadership* to his party's presidential nomination.

But one aspect of his thinking gave me a jolt when I took in his views last week in an all-elbows speech to a Washington conference celebrating the memory of Richard Nixon and, even more, in an article in Foreign Policy.

Mr. Dole is not just skeptical and critical, in a now familiar conservative way, of the United Nations and other international *institutions and of international* projects ranging from peacekeeping to pollution ("peripheral") and from development to foreign aid. He is seized by the demon he calls multilateralism.

The term means working with other nations — especially in military or peacekeeping interventions — not simply by commanding them George Bush-style in Iraq but by soliciting and bargaining out their cooperation.

Mr. Dole dismisses such cooperation. He treats Iraq not as the special case it plainly was but as a *model for all interventions.* Multilateralism is "utopian." It impinges on American "sovereignty" — a word he reaches for *easily. It derogates from Ameri*can "leadership" — a word he invests with almost mystical qualities. It fetters American freedom of action, vitiates American interests, endangers American lives.

"Subcontracting American for*eign policy and subordinating* American sovereignty encourage and strengthen isolationist forces at home — and embolden our adversaries abroad." This is the essential Dole.

He sees a deadly link forming between two sectors of American opinion. "Declinists" believe that America now lacks *not just* the strategic necessity but the resources and the legal and moral authority to act on its own. This group is lining up with its dubious "multilateralist kin," people who *lack political will and the instinct* to leadership and who would have the global organizations take over.

Mr. Dole's bane is a creature he calls "Assertive Multilateralism-Enlargement," his formulation of the Clinton vision of a post-Cold War American *foreign policy.*

Assertive multilateralism was an unhappy slogan that the administration briefly hauled out in an effort to show that it could keep control in Bosnia and cooperate with other nations at the same time. It couldn't.

Enlargement refers to an ad*ministration intent* to promote free market democracy around the world. Mr. Dole thinks that is softheaded, being one who defines national interest in hard, strategic terms.

The senator advances these ideas in the name of fending off a dangerous isolationism on the one side and an "irresponsible" internationalism on the other. He strides onto the pre-presidential stage as the smart, experienced (at 71), patriotic and principled *man in the middle.*

Let us stipulate that the United Nations and the Clinton administration, working both apart and together, have made enough mistakes and misjudgments to draw plenty of fire, substantive as well *as partisan. This is the real-world* opening through which critiques of multilateralism now pour.

Former Bush aides Brent Scowcroft and Arnold Kanter have pointed, however, to the perils of going it alone *(IHT Opinion, Feb. 4).* The Republican pair had in mind a certain tendency toward unilateralism on the part of the *sitting Democratic administration.* But their critique applies even more fittingly to Mr. Dole, who elevates an occasional inclination to a whole guiding philosophy.

The difference is profound. The new unilateralism, as Mr. *Scowcroft and Mr. Kanter de*picted it, does not explicitly turn its back on interdependence with the world but insists that America will deal with the world only on its own terms. Such an approach invites friends and allies to go unilateralist, too, puts at risk the multilateral cooperation that the United States increasingly needs in areas and problems in which it does not exercise command, and evades the hard and frustrating work of exercising foreign policy leadership to bring others around. It is neoisolationism with an internationalist facade.

Exhibit A would be Mr. Dole's campaign, over stout NATO and European resistance, to have America unilaterally lift the arms embargo now in place on Bosnia.

Here is the foreign policy di*vide in the Republican Party.* Conservative as it may appear, the Kissinger-Reagan-Bush-Baker-Scowcroft brand of internationalism — the more or less enlightened presidential brand — is visibly more outward-looking, co*operation-minded* and realistic than the Dole-Helms/House Republican brand currently enjoying a congressional run.

Perhaps Mr. Dole, as he advances on his White House goal, will keep thinking about it.

The Washington Post.

Making a Tardy Issue of East Timor

By Richard Woolcott

CANBERRA — Portugal is engaged in a cynical and hypocritical attempt to assuage *its guilty conscience over events* in its former colony of East Timor by transferring the blame to Indonesia and Australia.

The latest venue for this exercise is the International Court of Justice in the Hague, where *Lisbon recently brought a case* against Australia for signing the Timor Gap Treaty with Indonesia in December 1989.

The treaty paved the way for joint development by Australia and Indonesia of potentially rich *oil and gas resources in an off*shore zone south of East Timor.

Portugal argued before the court that it remains the "administering power" and that the *East Timorese have a right to* self-determination which they have not been allowed to exercise as a result of Indonesia's invasion and annexation of the territory in 1975-1976.

Lisbon's position is that the *East Timorese should have sov*ereignty over the territory's natural resources, including those off the coast, on the assumption that the people would choose inde*pendence if given the chance in a* UN-supervised referendum.

In essence Portugal is asking the court to rule that Australia should have dealt with Lisbon as the administering power, and to declare that Canberra has infringed the right of the East Timorese to self-determination by signing the treaty with Jakarta.

It is true that the recent history of East Timor has had its tragic aspects, and that Indonesia appears so far to have failed *to win the hearts and minds of* the majority of educated and politically conscious East Timorese. But an inescapable fact, which Portugal has sought to obfuscate in its court case and elsewhere, is that its own neglect *and incompetence as a colonial* master were in considerable measure responsible for Indonesian intervention. Portugal abandoned the colony in 1975 after civil war erupted between the two largest political parties.

Indonesia, like most other Asian member states of the United Nations, does not accept the compulsory jurisdiction of the court. Australia does, and so *Portugal has launched a case* against it, largely for domestic political reasons and because Lisbon cannot bring a case against its real target, Indonesia.

The Australian government is confident of the legality of the *Timor Gap treaty.* It recognized de jure Indonesian sovereignty over East Timor in 1979. Canberra regards Portugal's case as having "no basis in international law" and maintains that Lisbon has forfeited the right to be considered the administering authority of East Timor.

Australia has never denied an East Timorese right to self-determination, but holds that now this could be carried out only within the framework of Indonesian sovereignty, just as before 1975 it recognized the reality of Portugal's sovereignty.

Jakarta maintains that East Timor is already part of Indonesia, that its sovereignty is recognized by a number of other countries and that the treaty is *sound in international law.*

Spokesmen for East Timorese opposed to Indonesian control, such as José Ramos Horta, believe, quite rightly, that a lasting settlement of the East Timor question will need to take place *outside any ruling by the court* later this year. Leaders of the East Timorese resistance movement know that any durable settlement will need to be negotiated privately between Portugal and Indonesia.

The assertion that Portugal is the administering authority is fatuous, except in the most arcane interpretation of UN General Assembly resolutions.

The last time an East Timor resolution was voted on in the United Nations was 13 years ago; it was adopted by a very slim majority. No UN-supervised act of self-determination has been held in East Timor.

However, there has never been a UN-supervised act of self-determination in Mozambique, Angola or Guinea Bissau. And nobody expects that there will be an act of self-determination in Macau when it is incorporated into China.

Portugal has long since forfeited any credible claim to be seen as the administering authority of East Timor. The time for a UN-supervised act of self-determination has probably passed.

The writer, a former Australian ambassador to the United Nations, contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Not All That Ill

MUNICH — I made an exhaustive inquiry regarding the epidemic of influenza reported to be waging in Munich since January. The chief of the department of statistics informed me that the reports in the local press regarding the influenza had been grossly exaggerated. He said: "Up to the 1st of February, 349 cases had been registered. Among these there was not a single death. It is ridiculous to speak of 30,000 cases. The truth lies very far from these exaggerated figures."

1920: Asia Minor Crisis

LONDON — The gravity of the situation in Asia Minor has induced the conference of Foreign Ministers to sit to-day [March 5]. I am able to state that the Cicilian massacres are now admitted to be most serious. There are at least 15,000 dead. The bulk of these were killed by irregular Turkish bands. Up to a late hour to-night, Conference opinion is that it is unnecessary to send more troops to the Near East, but the decision is subject to quick change.

1945: Cologne Entered

SUPREME HEADQUARTERS ALLIED EXPEDITIONARY FORCE — Cologne, the third city of Germany, was entered to-day [March 5] by 1st army tanks and foot soldiers who advanced toward the center of the ancient Rhine capital without meeting the house-to-house resistance that General Courtney H. Hodges's men encountered when they stormed Aachen last October. The speed with which the American tanks advanced today was remarkable if one considers the psychological importance to the Germans of this city.

EUROPE

West Is Desperate For Deal to Block Wider Bosnia War

By Roger Cohen
New York Times Service

ZAGREB, Croatia — It has been more than two months since former President Jimmy Carter secured a cease-fire in Bosnia and raised hopes that a silencing of the guns could lead to a political breakthrough. Those hopes have now sunk in the Balkan bog, and the region is drifting toward a fiercer, and perhaps a wider, war.

The drift is furthered by Western diplomatic confusion, Croatia's impatience, Serbian

NEWS ANALYSIS

intransigence and the Bosnian government's methodical determination to take back territory by military means and avenge the atrocities suffered by Muslim civilians.

The confusion and resulting weakness of American and European diplomacy is nothing new in the wars of Yugoslavia's dismemberment. But it appears particularly acute right now. At its heart is the unlikely casting of President Slobodan Milosevic of Serbia in the role of a peacemaker.

Last month, the French government, cautiously supported by the United States, came up with the idea of a "last chance" meeting at which Mr. Milosevic would obtain a lifting of trade sanctions against Serbia in return for his recognition of Croatia and Bosnia, two countries whose secession from Yugoslavia the Serbs contested by seizing large swaths of territory.

The idea of a "last chance" was unusual in that those chances have seemed lost, and the Balkans are impervious to Western notions of deadlines. Moreover, even though Mr. Milosevic formally cut off support for the Bosnian Serbs last year, several well-placed Serbian officials said, he is politically unable to deliver a recognition of Bosnia and Croatia that would formally bury the idea of a Greater Serbia.

"There is a basic misunderstanding in the West," said an official who knows the Serbian leader well. "People believe that because Mr. Milosevic cut off the Bosnian Serbs, he must be ready to recognize Bosnia's borders. But the blockade was aimed only at destroying a personal enemy of Milosevic, Radovan Karadzic, not the overall cause of the Bosnian Serbs."

Mr. Karadzic, the leader of the Bosnian Serbs, has infuriated Mr. Milosevic with his extravagant personal habits and his political decision to reject an international peace plan dividing Bosnia roughly in half.

Mr. Milosevic, who imposed a porous blockade on the Bosnian Serbs in August, believes that the international plan, consisting of little more than a malleable map, is now a reasonable basis for extending Serbian interests westward over the Drina River border with Bosnia.

This strategy, backed by the Yugoslav Army and secret police agents who ensure that Bosnian Serbian forces get whatever they really need, depends on deferring the issue of recognition of formal borders until much later. Thus, the "last chance" meeting appears to offer negligible hope.

The meeting was also supposed to deal with the impatient man of the Balkans, Franjo Tudjman, Croatia's 74-year-old president, who has decided he cannot wait much longer to recover the 30 percent of Croatia seized by Serbs in 1991.

If Mr. Milosevic recognized Croatia, the diplomats thought, Mr. Tudjman might rescind his decision to throw out the 12,000 United Nations troops he now regards as little more than accomplices to a Serbian occupation.

That idea also looks dead, so Assistant Secretary of State Richard C. Holbrooke is going to Zagreb for talks on Monday with Mr. Tudjman in which he will try to persuade the Croatian president to revoke or amend his decision.

"A mild sense of panic is setting in," an official said. "There is no hint that Tudjman will change his mind and no desire on our part to get American troops involved."

Q & A: Russian Optimism on Economy

Sergei Pavlenko is the director of the Russian government's Center for Economic Reform in Moscow. He reports directly to First Deputy Prime Minister Anatoli B. Chubais, the government's strongest proponent of free-market economic reform. He spoke in London with Erik Ipsen of the International Herald Tribune.

Q. In his state of the federation speech last month, Boris Yeltsin said that what is now the government's third attempt to tame inflation must succeed.

A. Yes, I think Mr. Yeltsin is aware that when it comes to fighting inflation it is three strikes and you are out. But I think there is a very good chance that we can contain inflation this year and then enter a period of economic growth next year.

Of course, that is not very cheery news for the population, but if restraint persists we should show that by the midsummer that the government can control inflation. By then it should be around 2 or 3 percent per month, which for Russia is basically zero. Keep in mind that in January it was running at 17 percent.

Q. On what do you base your optimism?

A. At least until summer we will see the absence of large central bank credits and heavy budget spending. That will guarantee at least single digit per month inflation.

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Q. Some observers note that Russia's budget assumes huge new credits from the International Monetary Fund this year. Are those sums realistic, especially as many doubt that Russia's budget discipline will hold?

A. Stabilization has become a fact of the election campaign, so there is no way back for Mr. Chubais and [Prime Minister Viktor S.] Chernomyrdin. It is a necessary goal. Still, because of the not so friendly behavior of IMF officials, Russia lost one-quarter of its IMF credits last year. No one in Russia, I can assure you, is happy to see how the Fund is dealing with Russia.

Q. What is your reaction to the speed with which the IMF acted to extend billions of dollars in credits to Mexico?

A. It is really not fair when Fund officials go over every item in every part of the Russian budget and press the Russian government to do this and this and this, and then for Mexico it is poof, they get all their funds in an instant.

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Q. What impact has the huge cost of the war in Chechnya had on your efforts to limit government spending and stabilize the economy?

A. In an economic sense, the cost of the operations in Chechnya is extremely low. The price of war is cheap. To destroy a city, you need only a few million rounds of ammunition. The main economic cost is the cost of reconstruction. That could total 5 to 10 trillion roubles, but it will be paid next year not this year.

Chechnya is not an economic problem. The two big problems are our loans from the International Monetary Fund and pressure on public spending in the pre-election period.

Q. Has the war had a political impact?

A. The Russian government showed it has the right to act within its borders, and it showed that those borders are real and not temporary borders. The Chechnya operation also showed separatists forces in other regions of Russia that the federation government is ready to send in the army to restore order and unity.

Q. Does Chechnya then strengthen the central government's hand in its fiscal dealings with the republics as well?

A. The tax discipline of local governments is heavily dependent on their perceptions of the strength of the federation government. After the 1993 shelling of Parliament, for instance, several republics paid their taxes. In general, though, the problem with tax revenue is not local government. The problem is that taxpayers don't pay.

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Q. You mention the parliamentary election looming in December and the presidential election looming in June of next year. Could it pose a threat to budget discipline?

A. The impact of the election is clearly visible. During the campaign, politicians will obviously try to please the electorate. The main contradiction now is between the necessary steps to please the electorate and the necessity of implementing hard measures in an ongoing period of economic and financial stabilization.

Q. How does the issue of economic reform and stabilization feature as an issue in the election campaign?

A. On reform, the Communists say we are doing too much. The reformers say we are doing too little. And the nationalists say we are not doing it for Russia but for the IMF and other outsiders.

New Calls for NATO Chief to Step Aside

Reuters

BRUSSELS — Pressure grew Sunday on the NATO secretary-general, Willy Claes, to resign over a defense-contract corruption scandal amid concern in Belgium that the affair would damage the center-left coalition in May elections.

A former aide to Mr. Claes, Johan Delanghe, is in detention after being questioned about the affair, in which the Flemish Socialist Party is said to have received "gifts" in 1989 from the Italian defense company Agusta.

On Friday, the police searched offices at the Belgian Economics Ministry, which Mr. Claes headed at the time of the alleged payments.

Mr. Claes, who has denied any wrongdoing, said last week that he was determined to retain the NATO post.

But for the first time, a former Flemish Socialist Party colleague publicly urged him to leave the post until the affair was cleared up. Jef Sleeckx, a member of the Belgian Parliament, said on the Belgian television channel VTM on Saturday night that he thought it best for Mr. Claes to step down.

Belgian opposition politicians have also called for the resignation of Mr. Claes and other Flemish Socialist Party leaders linked to the scandal.

But Foreign Minister Frank Vandenbroucke, the former head of the party, said in an interview with the VT4 Dutch-language television channel that he thought the affair was related to a "sort of international financial mafia" that had abused the party name.

Concern over the affair has spread beyond Belgium's borders. In an interview published Sunday, a senior member of the German Free Democratic Party also called on Mr. Claes to step down until the affair was resolved.

"I recommend that the NATO secretary-general stand down" the party's parliamentary leader, Hermann Otto Solms, said in the interview with Bild am Sonntag.

At issue are allegations that Agusta made "gifts" totaling 51 million Belgian francs ($1.7 million) to the Flemish Socialist Party in 1989 linked to a 1988 purchase of 46 helicopters for the Belgian Army.

A Projectile Smashes Into a Bavarian Field

Reuters

ANDECHS, Germany — A suspected meteorite crashed into a field in southern Germany, leaving a 20-meter-wide crater, the police said Sunday.

They said a farmer in this Bavarian village reported seeing a spout of water and mud 150 meters (500 feet) high late Saturday. A police helicopter reported that nothing was found in the crater

BRIEFLY EUROPE

EU Extends Aid Carrot to Croatia

BRUSSELS — With fears of a broader Balkan war growing daily, European foreign ministers will seek this week to use the European Union's financial muscle to entice Zagreb to reconsider its order for United Nations peacekeepers to leave Croatia.

Diplomats said the ministers would try to link approval of extending the European Union's aid program for eastern and central Europe to Croatia to a diplomatic drive to make President Franjo Tudjman change his mind.

Mr. Tudjman has said he will not extend the mandate for 12,000 United Nations peacekeepers on Croatian territory when it ends on March 31 and has rebuffed all appeals to reconsider. *(Reuters)*

Project Funding for Togo Resumes

LOME — The European Union has announced a progressive resumption of project funding for Togo, frozen in 1992 when authorities tried to block democratic change.

A statement by the European Commission's office in Lomé on Saturday night said the European Union would start by unblocking funds for rural development, education and the fight against AIDS. *(Reuters)*

Brussels Denies Backing Adams

LONDON — The European Commission denied Sunday that it was backing an attempt by Gerry Adams, the head of the Irish Republican Army's political wing, Sinn Fein, to have Britain's anti-terrorism laws declared illegal.

A London newspaper, the Mail on Sunday, reported that the EU executive had prepared a legal submission backing Mr. Adams's case before the European Court of Justice.

The court was asked for its opinion by the British high court on Mr. Adams's charge that laws that banned him from the British mainland breached freedom-of-movement provisions in the Maastricht Treaty. *(Reuters)*

Calendar

European Union events scheduled for Monday, March 6:

BRUSSELS: EU foreign ministers meet to discuss relations with Russia, preparations for an EU-Mediterranean conference, and EU relations with Turkey and Malta.

BRUSSELS: Prime Minister Tansu Ciller of Turkey attends a ministerial meeting to formally approve a customs agreement between EU and Turkey.

BRUSSELS: Ministerial meeting on cooperation between EU and Lebanon, the first since 1980, with Foreign Minister Fares Bouez of Lebanon in attendance.

BRUSSELS: President Alexander Lukashenko of Belorussia and Jacques Santer, president of the commission, meet to sign a partnership agreement between EU and Belarus.

PARIS: Jama-Clepa Business Conference on EU/Japan auto industry, attended by Martin Bangemann, commissioner for industry.

LONDON: Speech by Karel Van Miert, competition commissioner, on "EC Policy for European Industry."

COPENHAGEN: Jacques Santer and Padraig Flynn, social affairs commissioner, represent the EU at the opening of the UN-sponsored world summit for social development.

BRUSSELS: Yves-Thibault de Silguy, economic and monetary affairs commissioner, meets Alain Lamassoure, French European affairs minister.

Sources: Agence Europe, AFP.

ASIA

While Remembering Pearl Harbor, U.S. Decides to Spare Japan

By T. R. Reid
Washington Post Service

TOKYO — As Japan backs away from a legislated apology for its aggression in World War II, the Clinton administration has decided to tone down its planned commemoration of the 50th anniversary of the war's end, sparing Japan's prime minister from facing his nation's former adversaries.

Japanese and American officials here say the White House originally proposed an assembly of heads of state for a memorial ceremony at Pearl Harbor on Sept. 2 — the anniversary of Japan's formal surrender. But that plan has reportedly been redesigned, in part because Prime Minister Tomiichi Murayama objected strongly to it.

Plans now call for President Bill Clinton to speak in Honolulu that day. But the other nations that fought in the Pacific theater will be represented by cabinet-level officials, not heads of state — a format acceptable to the Japanese.

In another gesture to Japanese sensibilities, Washington has assured Tokyo that American officials at commemorative events will avoid the term "V-J Day," short for "Victory-over-Japan Day," to refer to the end of the Pacific war. American material will simply refer to the "end of the war."

In Washington, an administration official noted that with several commemorations taking place in Europe, and a summit meeting of Pacific nations due in Japan in November, another gathering of heads of state was considered excessive.

There are several reasons, officials in Tokyo say, why the Japanese were so reluctant to have their prime minister invited to a gathering of heads of state of the nations Japan fought in World War II.

For one thing, Mr. Murayama is said to be highly uncomfortable at international gatherings. As prime minister of the world's second-richest country, he is obliged to attend some, but he is said to want to keep the number to a minimum.

Moreover, on paper, Japan and Russia are still fighting World War II. The war's only combatant nations who have not yet signed a peace treaty, are still arguing over disputed territory. Thus the Japanese do not want to sit down with the Russians in a let-bygones-be-bygones ceremony.

But the major problem for Japan, American officials say, seems to be that the government here has still not settled on its official position toward the several countries Japan attacked, invaded or colonized.

A long-running domestic debate about Japan's war responsibility is unlikely to be resolved by Sept. 2.

Mr. Murayama, 70, head of the Social Democratic Party and a critic for decades of Japan's role in World War II, has long favored a formal apology to the East Asian nations that Japan attacked.

But even Mr. Murayama has not gone so far as to call for an apology for Japan's air raid on Pearl Harbor, the attack that brought the United States into World War II.

When Mr. Murayama became prime minister through political bargaining last summer, he extracted a written promise from other members of his governing coalition that the Diet, or Parliament, would pass a formal resolution of apology to Asian nations. This was to be done in time for this year's 50th anniversary memorial events.

Various ideas for the resolution, known as the "Remorse, Apology and No-More-War Resolution," have been floating around political circles. The measure is supposed to come up for formal debate this spring.

But the more conservative members of the governing coalition are rapidly backing away from the basic idea of a Japanese apology. As rightist groups hold rallies and march through the streets denouncing the proposed resolution, many politicians seem to favor either a bland one honoring the war dead or nothing.

The three coalition parties have formed a "project team" to work out specific language. But when the team met in late February, there was so much angry debate that not a word was written.

Japan's emperor and former prime ministers have expressed regret and apologies to several of the countries Japan attacked in the war. But the Diet has never passed a resolution of apology, and the possibility again looks doubtful.

Mr. Murayama is so unpopular today that he probably does not have the clout to force a resolution through. And without Diet action, Japanese officials do not want their prime minister to take part in a memorial ceremony where some form of apology might be expected.

'V-J Day' Is Given a PC Updating

Washington Post Service

TOKYO — Another familiar turn of phrase has become politically incorrect. Please don't say "V-J Day."

With the combatants of World War II gearing up to commemorate the 50th anniversary of the war's end, Japan's diplomats have been asking other countries to eschew the term "V-J Day" to describe Aug. 15, 1945 — the day Japan's surrender ended the war.

That date has been known ever since in many English-speaking countries as "V-J Day" — that is, "Victory-over-Japan Day." But the term has long troubled the Japanese. People here note that the date of Germany's surrender, May 8, 1945, is known as "V-E Day" for "Victory in Europe" — not "Victory over Germany." To the Japanese, that means they have been singled out for linguistic hostility.

Accordingly, Tokyo has been asking other nations to find some less Japan-specific nomenclature to describe the historic day. The effort has had some success. Australia's government has agreed to drop "V-J Day" and use the term "Victory in the Pacific Day" instead. The U.S. government will use the term "end of the war" in all commemorative activities.

"Our whole effort in this thing is to commemorate an event, not to celebrate a victory," an American official said. "So we have assured Japan that nobody in the U.S. government or military will use the term 'V-J Day' this year. But the media, the veterans' groups — hey, that's a whole different question."

Chinese Parliament Will Ignore Petitions

Compiled by Our Staff From Dispatches

BEIJING — A Chinese dissident urged Parliament on Sunday to accept petitions calling for a constitutional democracy and an independent judiciary, but a government spokesman said the National People's Congress would ignore the petitions.

Dissidents and intellectuals have submitted four petitions in the last week to the legislature, which began its annual session on Sunday.

"Our petitions are legal and constructive," said Liu Xiaobo, one of 12 dissidents and intellectuals who have demanded an independent judiciary and a tough crackdown on corruption.

But an official spokesman said Saturday that Parliament would not consider petitions from dissidents deprived of their political rights by law, and he raised suspicions about the motives of the petitioners.

"All citizens have the right to criticize or raise suggestions to state organs and personnel," the Parliament's spokesman, Zhou Jue, said at a news conference.

Several of the dissidents who have tried to present petitions to the Parliament are free on parole from lengthy prison terms and are thus denied their political rights. Others, though, have completed their terms or have never been charged with offenses.

But Mr. Zhou accused the signers of "playing up to the international media," and made it clear that none of the six petitions mailed to the congress in the last week would be addressed by deputies.

"Long before these people mailed their petitions, they disseminated their ideas and suggestions to overseas news media to play up this issue," Mr. Zhou said.

"It is not difficult to see their real motives," he said, but did not elaborate on what those motives might be.

Mr. Liu said the government position was not a surprise.

"We do not expect the Parliament to respond, but this does not mean that we should not put forward our proposals," Mr. Liu said. "They should respond. This is part of the process of democracy."

Activists and intellectuals bombarded the Parliament with petitions last year.

A group demanding Japanese compensation for war crimes submitted its fifth petition in as many years on Saturday, signed this time by 600 intellectuals and 12,463 victims of the Japanese invasion. A signer of one of the human-rights petitions said Friday that a group of 12 intellectuals and dissidents had mailed a petition to Parliament on Tuesday after officials refused to accept the motion in person. They demanded that the legislature repeal police powers to detain suspects for months or even years without formal charges.

Last week, 12 scholars filed a petition urging government action to curb corruption.

Earlier in the week, Wang Dan, a former student leader, and more than 20 other signers sent two petitions to Parliament, demanding that legislators abolish the administrative punishment of re-education through labor and urging safeguards for basic human rights.

(Reuters, AFP)

Vietnam Plans Resort Near Ex-Colonial Site

Agence France-Presse

HANOI — Vietnam has licensed a Bahamian-based company to turn swampland near the former colonial playground of Vung Tau into a $264 million resort with a marina and a race track, a report said Sunday.

Cap Saint Jacques Promotions SA and the Vung Tau Tourism and Economic Services Development Co. are to develop an 88-hectare (190-acre) site into a complex that will contain housing, two hotels and tourism facilities, the Vietnam Investment Review reported.

The project is expected to take eight years to complete, according to the newspaper, which is published by Vietnam's foreign investment licensing body.

Vung Tau officials said the site for the tourist development was uninhabited.

Included in the company's plans are a 250-berth marina, a golf course, a racing track, a sports center and a helipad, the newspaper said. No details were given on how the 40-year joint venture would be funded, but the Vietnamese partner would hold a 40 percent stake.

Vung Tau, once the colonial playground known as Cap Saint Jacques, has boomed through tourism and the development of the off-shore oil industry, which is based in the southern town.

Investment in tourism and hotel projects has soared in Vietnam in the past two years, accounting for about one-fifth of the $11 billion in licensed foreign projects.

Other projects include a four-hotel resort on China Beach near the central city of Danang and a $270 million project in the former imperial capital of Hue that includes six hotels and two golf courses.

About 1 million tourists visited Vietnam last year, but the development of the industry has been hurt by a shortage of facilities. Vietnam is expecting about 3 million visitors a year by 2000.

BRIEFLY ASIA

Hong Kong Holds Municipal Vote

HONG KONG — People voted in record numbers in Hong Kong's penultimate election under British rule on Sunday as pro-Beijing and their rivals battled for the political high ground before China takes over in 1997.

On the face of it, the municipal polls were about as local as elections could be, with candidates campaigning for faster traffic and cleaner streets. But with the Chinese takeover looming in 849 days, even such local issues became entwined in wider political arguments about Hong Kong's relations with its future ruler.

In at least a third of the 59 constituencies, voters had to chose between pro-Beijing candidates or the Democratic Party, a Beijing critic. First results were expected early Monday morning.

Under reforms devised by Governor Chris Patten against China's wishes, all municipal councilors were elected for the first time Sunday. Previously, some were appointed. Mr. Patten also lowered the voting age from 21 to 18, helping to swell the number of registered electors to a record 2.45 million. Turnout was 25.8 percent, 2.7 percentage points higher than in the last municipal poll in 1991. *(AP)*

India-China Border Passes to Open

NEW DELHI — India and China have agreed to open new passes along their Himalayan borders including one in Sikkim, whose rule by India has been long disputed by Beijing, Indian Foreign Ministry officials said.

The Press Trust of India quoted a Foreign Ministry spokesman as saying the Nathu La pass in Sikkim would be opened for meetings between Indian and Chinese military personnel.

The agency said the agreement was a confidence-building measure between the two countries, which fought a brief border war in 1962. China has disputed India's rule in Sikkim since New Delhi took over in 1975, when a popular revolt against Sikkim's former Buddhist ruler forced him to abdicate. A left-leaning state government, acceptable to New Delhi, was elected there in December, defeating a group widely regarded as closer to China. *(Reuters)*

North Korea Propaganda Faulted

PRAGUE — President Kim Young Sam of South Korea criticized North Korea on Sunday for failing to halt its propaganda attacks despite an accord reached by Pyongyang with the United States on dismantling its nuclear program.

At the end of a two-day visit to Prague, Mr. Kim called for dialogue and trust between Seoul and Pyongyang. "We're trying to establish dialogue but in order to have dialogue you need a partner," he said. "North Korea is continuing to attack the South with hostile propaganda, 10 hours a day in an unfriendly spirit. However, we're maintaining maximum patience."

Tensions on the Korean Peninsula eased in October with the signing of the accord, under which Pyongyang promised to dismantle and eventually freeze a nominally peaceful nuclear program widely suspected also to be producing nuclear weapons. *(Reuters)*

VOICES From Asia

Li Peng, prime minister of China, in an address on corruption at the opening of the National People's Congress: "We should oppose money worship, ultra-individualism and decadent lifestyles." *(Reuters)*

Liu Xiaobo, one of 12 dissidents who have presented petitions to the National People's Congress with demands for an independent judiciary: "We have a right to speak out. But the Communist Party is accustomed to one-party rule and prefers that the public does not raise opinions." *(Reuters)*

Prem Tinsulanonda, a former Thai prime minister, urging the Philippines to follow Thailand's example in relying more on political than military measures in resolving a Communist insurgency: "Someone has rightly observed that it was a time when guns were replaced by words." *(AP)*

BOOKS

OUR GAME

By John le Carré. 302 pages. $24. Knopf.

Reviewed by
Michael Dirda

WINSTON Churchill once summed up, with a characteristically sonorous flourish, the life of the secret agent: "Tangle within tangle, plot and counterplot, ruse and treachery, cross and double-cross, true agent, false agent, double agent, gold and steel, the bomb, the dagger and the firing party." In Churchill's youth, any spy, if he were English that is, possessed the glamour of a polar explorer, an unclouded faith that God was on his side, and a nonchalant ability to speak the language of even the most obscure Central Asian people. This was the era of the Great Game, when the Khyber Pass and the Hindu Kush and all the Caucasus swarmed with sinister Orientals, effete Russian generals who used scent, Islamic prophets crying out for infidel blood, and fiercely valiant Gurkhas, a time when the sons of English lords could disguise themselves as herdsmen or holy men and pass unremarked along the old Silk Road or through the mountain fastnesses of Tibet.

All gone, of course, except in the pages of Kipling's "Kim" and John Buchan's thrillers about Richard Hannay. Our spies, as we have learned from Graham Greene and John le Carré, live drab, broken lives, their souls eaten up by despair and doubt. They trust no one, for every man's hand is against them. As time drags on, their increasingly bureaucratic masters regard them as little more than pawns, expendable, superannuated. This, one might say, is "Our Game."

Or is it? Certainly le Carré's earlier novels have done more than anyone else's to promote this unromantic view of the spy. There are no triumphs at the Circus, for the secret war never ends. Who knows? If a Bill Haydon can turn out to have been a double agent, can even a George Smiley be trusted? In le Carré's most controversial book, "The Little Drummer Girl," he brilliantly leaves the reader in doubt, until the final heart-racing pages, about the ultimate loyalties of Charlie, the small-time actress turned secret agent.

While "The Little Drummer Girl" concentrated on the psychology of a field operative, le Carré's new book, "Our Game," takes up the inner life of a case officer, especially his relationship to the "joe" he oversees. Some 20 years ago Timothy Cranmer turned his former schoolmate, the carefree, Marxist-sympathizing Larry Pettifer into a spy, then allowed him to be "recruited" by the Russians. With his feckless ways and easy charm, Larry seemed an ideal double agent. But now that the Soviet Union has collapsed, the two middle-aged men find their services no longer required and are forced into early retirement. A lucky inheritance allows Tim to move to a country estate, take up winemaking and win the affections of a beautiful young composer named Emma. Larry, meanwhile, lands a position at Bath University, where he proves a charismatic if somewhat unreliable professor. His lectures bear titles like "The Squandered Victory: Western Foreign Policy Since 1988." The past seems far away. Then one October afternoon Larry simply disappears. Why?

High among the pleasures of reading le Carré has always been watching him slowly create his plot. He rocks us smoothly back and forth in time, shifting focus from one character or group to another, unpacking worlds of meaning from a casual utterance or half-forgotten incident.

Is this then another le Carré classic? While "Our Game" keeps one turning the pages with pleasure, there are annoyances. For a clever intelligence operative Tim seems remarkably shortsighted: Most readers will figure out the purpose of misappropriated funds long before our narrator. When Tim talks about Emma he gushes fatuously about her looks and lovemaking.

Yet, these faults notwithstanding, le Carré fans shouldn't pass on "Our Game." At times the book reads like a valedictory, a final reviewing of some favorite themes and obsessions. Most interestingly, le Carré — master of the world-weary — here creates a secret agent who successfully transcends his alienation by emulating the romantic heroes of Buchan's swashbucklers, even down to a climax in the heart of the Caucasus. By building up to scenes of civil war in Chechen-Ingush territory now so much in the news, le Carré neatly returns the British espionage novel to its origins. "Our Game" and the Great Game become one.

Michael Dirda is is on the staff of The Washington Post.

WHAT THEY RE READING

• **John Gorman**, engineer, chiropractor and British ski instructor, is reading *"The Athletic Skier"* by Warren Witherell and David Evrard.

"By teaching the movements of the world's best athletes to skiers at all ability levels, this excellent book invites you into the enchanting world of modern skiing."

(Margaret Kemp, IHT)

BRIDGE

By Alan Truscott

FOR some, it appears that the drive to succeed at the bridge table helps keep health problems at bay. An example is Lila Perlstein, an expert who, despite a chronic illness, won two major titles at the Tri-State Regional Championships. She held the South cards on the diagramed deal, from the Fall Nationals.

Her contract was six diamonds, reached after her partner acknowledged possession of two key cards, the heart ace and the diamond king, in response to four no-trump. The defense played two rounds of clubs, forcing a ruff, and the slam hinged on neutralizing the trump queen.

A trump was led to the king, and the jack was finessed. The jack won, but West discarded. Now the only hope was a trump coup, so South had to shorten her trumps and manage her entries to dummy carefully. She began by cashing the heart king, crossing to the spade jack, and throwing a spade on the heart ace.

Next South cashed the heart queen, carefully throwing the spade king and preserving the nine. Then she ruffed a heart and led to the spade queen. She now had the A-10 of diamonds poised over East's Q-9, and that player was helpless when a winning heart was led from the dummy. If he discarded, South could discard the spade ace and preserve the lead in dummy at the 12th trick with decisive effect.

NORTH
♠ Q J
♡ A Q 9 8 3
♢ K 4
♣ 10 9 6 3

WEST
♠ 8 5
♡ 6 5 4 2
♢ 2
♣ K Q J 8 7 2

EAST
♠ 10 7 4 3
♡ J 10 7
♢ Q 9 8 7
♣ A 4

SOUTH (D)
♠ A K 9 6 2
♡ K
♢ A J 10 6 5 3
♣ 5

Both sides were vulnerable. The bidding:

South	West	North	East
1 ♢	Pass	1 ♡	Pass
1 ♠	Pass	2 ♣	Pass
2 ♣	Pass	3 ♢	Pass
4 N.T.	Pass	5 ♡	Pass
6 ♢	Pass	Pass	Pass

West led the club king.

INTERNATIONAL

A Leader Of Hutu Is Killed In Rwanda

Reuters

KIGALI, Rwanda — Gunmen ambushed and killed a prominent Hutu politician who had been brought into the Tutsi-dominated administration to assure millions of refugees they can return home safely, the government said Sunday.

The official, Pierre-Claver Rwangabo, prefect of Butare in southern Rwanda, was killed on Saturday night, officials said.

State-run Rwandan radio said more than five gunmen stopped Mr. Rwangabo's car near Butare by blocking the road with a tree as the prefect traveled from Kigali, the capital. The assailants then opened fire, killing Mr. Rwangabo, his son and driver.

Mr. Rwangabo is the most senior politician in the Tutsi government to be killed since Rwandan Patriotic Front rebels won a three-month civil war last July after as many as a million members of the minority Tutsi tribe and their Hutu allies were slaughtered.

As a member of the Hutu opposition to the ousted Hutu government blamed for the massacres, Mr. Rwangabo was named to run Butare to assure Hutu refugees in nearby Zaire it was safe to return home.

The radio said that the vice president, Major-General Paul Kagame, who led the rebels to victory last year, arrived in Butare on Sunday and that an investigation was under way.

Rwandan radio suggested that former soldiers for the Hutu-led government were responsible.

Mr. Rwangabo was a spokesman for the Social Democratic Party and former aide to Prime Minister Agathe Uwilingiyimana, a moderate Hutu killed in the first days of the mass slaughter.

The army, now controlled by the Rwandan Patriotic Front, has carried out a recent wave of arrests, particularly around Butare, of those suspected of involvement in the massacres.

DOLLAR: *Analysts See Tumultuous Period for Battered U.S. Currency*

Continued from Page 1

funds into yen before the automatic trigger was hit.

Whether accurate or not, this will no longer be a burden for the dollar after March 31.

By then, the Fed is also likely to have raised interest rates. Although a debate still rages whether the U.S. economy has slowed enough to dissipate inflationary pressures, even analysts who see growth weakening have assumed that the Fed will raise rates one last time at its scheduled meeting in May. This could be brought forward to March if the turmoil in the foreign-exchange market erupts into a financial crisis.

"For now, the risks of an outright currency crisis remain modest," said John Lipsky at Salomon Brothers in New York.

The sell-off in the U.S. bond market last week still looks modest relative to the substantial gains recorded since the start of the year, and the leading index of stock prices remains close to a record high.

If dollar weakness significantly undermines stock and bond markets, Mr. Lipsky said he expected the Fed to act.

Uncertainty about the Fed's need to continue raising rates, fueled by comments made in testimony before Congress last month by the Fed chairman, Alan Greenspan, is one of the root causes of the dollar's current weakness, since even the prevailing interest rates are not deemed attractive enough to attract money to the dollar.

Without a rise in U.S. rates, analysts agreed that the dollar would remain under pressure. The consensus view is that it is only a matter of time until the dollar tumbles to record lows against the mark. The historic low of 1.3860 DM was set in late 1992. The dollar closed last week at 1.4235.

Analysts were only disagreeing about how low the dollar was likely to go. Paul Chertkow, an analyst at Union Bank of Switzerland and a long-time optimist on the dollar's outlook, saw it falling to 1.31 DM. Neil MacKinnon at Citibank, a long-standing pessimist, held to his view it would drop to 1.25 DM.

The dollar's weakness against the mark is made worse by the independent strength of the mark within Europe.

Fears that Lamberto Dini will fail to gain parliamentary approval for his deficit-slashing budget drove the lira to a record low of 1,180 against the mark. The Spanish peseta remained weak at 88.36 per mark, and analysts said they expected that uncertainty about the government's commitment to the fixed exchange-rate system could soon lead to a test of the peseta's permitted floor level of 91.92 per mark.

Pascal Rossignol/Reuters

As the French presidential campaign heats up between Edouard Balladur and Jacques Chirac, the Gaullist rivals, Jean-Marie Le Pen, the candidate of the far-right National Front, was greeted by rain as he arrived for a campaign session on Sunday in Lille.

BANK: *Audit Suggests Barings Knew of Risky Bets*

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trols could be overridden by Mr. Leeson because he had been given management authority over both dealing and settlement operations.

Singapore's Sunday Times newspaper reported that the audit, done by James Baker, had recommended that Mr. Leeson should not retain formal responsibility for supervision, check-signing and other back-office functions. But this was ignored, the paper noted.

Quoting from what it said were unpublished extracts of the audit, the newspaper said Mr. Baker concluded that Baring Futures would not be able to stop new entrants to the market from "gradually eating its present level of profitability."

Mr. Leeson is being held under indefinite extradition detention in Germany at the request of Singapore, after its Commercial Affairs Department, an agency that investigates white-collar crime, filed a charge Friday accusing him of document forgery relating to the bank's futures business.

Mr. Leeson, whose trading losses of more than $1 billion brought down Barings, was detained Thursday in Frankfurt as he walked off a flight from Brunei.

He had left Singapore and gone into hiding in Malaysia, apparently after realizing that his losses were too big to salvage.

In their findings, Price Waterhouse alleged that Mr. Leeson had "directed his staff to pass reclassification entries in the relevant records," evidently meaning that records had been falsified.

Elizabeth Sam, chairman of SIMEX, said that Baring Futures had only four clients. Three were part of the Barings group and the fourth was the Banque Nationale de Paris.

She said that the "failure of internal controls within the Barings group" had allowed Mr. Leeson to commit the bank to trading positions that caused its collapse.

Mr. Shanmugam said that SIMEX itself became nervous in January about Mr. Leeson's activities but was assured through correspondence and a personal visit from a London-based director that the bank could cover its positions.

The bank continued to meet Baring Futures margin deposit calls on SIMEX and other Asian markets, sending a total of 1.3 billion Singapore dollars ($899 million) to cover potential losses in January and February.

"Certainly as the positions became large, we asked for an explanation and were told that the position was taken by the group and was backed by group assets," Mr. Shanmugam said.

He said that "this assurance was given by Anthony Hawes," the Barings group treasurer and director, who had flown to Singapore in January.

Mr. Leeson's wide-ranging authority to settle and record futures trading as well as conduct it was forcefully questioned by James Bax, managing director of Barings's operations in Singapore, in a letter to the company's head office in London dated March 25, 1992.

Price Waterhouse executives said they discovered the letter, written to Andrew Frazer, head of Barings's equity broking and trading in London, in the past few days.

"My concern is that once again we are in danger of setting up a structure which will subsequently prove disastrous and with which we will succeed in losing either a lot of money or client goodwill or probably both," Mr. Bax wrote.

In his first public comment on the Barings affair, Goh Chok Tong, Singapore's prime minister, said Sunday that "looking at the reports from the investigation," the government felt that the island-state's regulatory authorities had handled the situation "very well."

They had seen what was coming and given the necessary warnings to those involved, he said.

Berlusconi Makes Dini an Offer On Budget Vote

Reuters

ROME — Italy's former prime minister, Silvio Berlusconi, under fire for rejecting an emergency budget vital to the survival of his successor, says he may reconsider in exchange for a promise of early elections.

The decision on Friday by Mr. Berlusconi's Freedom Alliance to vote against Prime Minister Lamberto Dini's mini-budget, a dramatic reversal from an earlier pledge of conditional support, could sink the measure and force Mr. Dini to resign.

In an interview on one of his three television networks on Saturday night, Mr. Berlusconi offered what could be considered either an olive branch or an ultimatum. "We are still willing to vote for this mini-budget if it is presented in a comprehensive framework, together with pensions reform in an economic program," he said.

Mr. Berlusconi said such a program would have to include the general outlines of the overall budget for 1996 and "lead to a government of the legislature."

His call for a government of the legislature was a demand for early elections to succeed Mr. Dini's "government of experts."

CHIRAC: *New Life in Paris Mayor's Presidential Bid*

Continued from Page 1

with a serene manner that has eluded him until now in his long pursuit of the presidency.

In a campaign where voters expect roughly similar policies from both conservative candidates, the choice may well turn on personality, not ideology. And like the screen characters of his friend Clint Eastwood, Mr. Chirac seems to steady as the Balladur gang loses its ability to shoot straight.

His comeback seems to vindicate a career gamble two years ago that Mr. Chirac — despite his reputation for indecisiveness — has stuck to. After a conservative landslide in Parliament, he chose to remain mayor of Paris while Mr. Balladur became prime minister. This was widely understood to be a deal enabling Mr. Chirac to inherit the presidency in 1995.

Instead, Mr. Balladur used the post to launch his own presidential campaign. When Mr. Chirac finally started his campaign last November after two years out of the limelight, he sounded unsure of himself and his populist-sounding pronouncements often backfired.

Many conservatives were glad that they had switched allegiance to Mr. Balladur, who looked like a winner and had his hand on the spigot of government munificence.

Despite friendly advice from his enemies that he should withdraw, Mr. Chirac plowed ahead, in the process becoming more comfortably outspoken with the public and with journalists.

In conversation, he cites a quiet consensus among key leaders in Europe in saying that European integration needs a slowdown to enable citizens to accept the losses of sovereignty that have occurred and will continue. Forging a stronger Europe, he says, is not a question of new grand designs but of getting voters to accept the shifts that are under way.

To do this, Mr. Chirac believes that the European Union needs adjusting in the light of experience. For example, he says, member states should be more active as a collective leadership while the power of the Brussels-based European Commission should be cut back to implementing accords among the governments.

Echoing British views that the Maastricht treaty contains unworkable features, Mr. Chirac goes further than any other French leader in breaking with the view that London must fall in line whenever Paris and Bonn agree.

Warning about a looming stalemate at the conference next year to adjust the Maastricht treaty, Mr. Chirac says that the new French president must work with Germany to produce a blueprint for Europe's future that is acceptable to Britain.

Evoking conversations along these lines with Chancellor Helmut Kohl and Prime Minister John Major, Mr. Chirac said that Europe's leaders recognize that Europe can no longer hope to settle for a cozy core of France, Germany and the Benelux states.

Europe can only be a coalition of the willing, he says — an idea that would give France a pivotal position in Europe as the indispensable go-between with Germany, which wants the economic advantages of unity, and Britain, which is the only European country that matches France's military weight.

As his ideas have sharpened in the campaign, Mr. Chirac seems to be driving the Balladur team to ragged counterattacks. When they suggested last week that his campaign promises would undermine the French franc, the charge backfired, with the government being blamed for playing with monetary fire for campaign purposes.

Mr. Chirac's view is that France should defend its currency mainly by cutting the national debt, not by raising interest rates to keep the franc in line with the Deutsche mark. France's debt burden has risen 50 percent under Mr. Balladur, he notes, causing higher interest rates, lower investment and unemployment.

The room for maneuver in changing France's economy will broaden the moment a new president is elected, Mr. Chirac acknowledges. But he basks in his own rising credibility and popularity.

French media are talking about "the new Chirac," "the liberated Chirac," even "the Zen Chirac." On television, he has overcome a white-knuckle delivery that frightened viewers. Instead, he projects the personality — long vaunted by his friends — of a man whose natural authority is tempered by eagerness to please.

The quality of the change can be summed up by a Chirac campaign symbol, an apple, that has taken on a life of its own. Adopted casually for a brochure, the apple was featured as a derisive prop on a satiric television program that has thrived on Mr. Chirac's foibles.

But this time he turned the tables, bantering about the jibes and light-heartedly reminding crowds that apples are good for you. The homey touch fit Mr. Chirac's image as a man with the common touch so plainly foreign to Mr. Balladur.

ALGERIA: *Bloodbath Rips Fabric of Life in Capital*

Continued from Page 1

geranium plant over the grave of her fiancé, Reda, a policeman.

"Young, unemployed men are being recruited to kill," she said. "They need money and the Islamic underground needs arms, so they kill policemen" to get their weapons, she said.

When their romance began a year ago, Souhila, a 23-year-old market researcher, programmed her computer password to read "Reda." Now she does not have the heart to change it and cannot bear to use it on the screen.

"I am going to quit work and stop going to my classes," she said. "I cannot think, I cannot study, I cannot see clearly anymore. Many people are dropping out of school because they are afraid of dying."

At the grave of Bashish Tewfiq, another policeman killed last month, a doctor visiting with her daughter said: "All Algerians are targets, men and women. The children are traumatized; adults are taking more tranquilizers.

"My 7-year-old daughter, Wissam, keeps asking me why people are getting killed. When the news comes on she asks, 'Who was killed today, Mummy?' "

And while the radical religious groups spread terror, the army-backed secular government inspires no trust.

"The religious leaders have not been in power yet, and we don't know them," an engineer at a national oil company observed as he stood over his cousin's grave. "But the people in power — we don't know their goals. We live in total darkness."

The quandary of ordinary Algerians, some of whom cast protest votes for the fundamentalists in the first round of the canceled elections three years ago, is similar to that of outside governments worrying about the fate of Algeria.

The outcome of this rebellion could determine whether the Iranian revolutionary model will emerge in North Africa as the response to years of economic and political mismanagement.

Western diplomats say the Islamic movement has begun to realize that the government is not about to collapse. But meanwhile, the violence and the erratic nature of this civil war are leaving a deep imprint on the young.

Young women are told to avoid Western dress or risk death, while young men are being warned in posters put up by the Armed Islamic Group, the most feared Islamic faction, against serving in the military.

"I am afraid of doing my service because it is risky," said Nassim B., 19, as he cleaned his surfboard on a beach.

His friend, Samir H., added, "My science professor had his throat slit for doing that."

Sadjia B., a second-year resident in obstetrics and gynecology, was bitter as she sat gazing out at the Mediterranean at the Club des Pins, a dilapidated beach resort still serving as an escape for young people caught in the cycle of violence.

"This is purely political, not about Islam," she said of the killings. "One does not have to kill. They are criminals, not Muslims, and this is barbaric justice."

Outside the Garide cemetery, business was booming for Dihmal A. during Ramadan.

His marble, ceramic and cement tombstones were selling at half the average monthly wage, and were in high demand.

He was 12 behind schedule, although he and his brother Farid were completing 15 headstones a week, as against two to four a week at most two years ago.

But he wants out. "I would prefer to be a painter, a technician, anything, to forget death," he said.

IRAQ: *U.S. Evidence of Buildup*

Continued from Page 1

to Baghdad, perhaps by setting a date for suspending the sanctions, or proposing new means for Iraq to sell some oil to meet the humanitarian needs of its people.

Diplomats said Sunday that support for the U.S. view from key Security Council countries might be less than the 100 percent that Mrs. Albright claimed.

The U.S. approach does not fully address the problem that the council resolution governing the oil embargo explicitly states that sanctions should be rolled back once Iraq complies with a UN program to dismantle its weapons of mass destruction. Once the chairman of the UN special weapons commission, Rolf Ekeus, declares that he is satisfied with Iraq's performance, the Security Council is under legal obligation to follow through in some way with the terms of its resolution.

An even stickier problem stems from the fact that Iraq has already gone further than anyone expected after the 1991 Gulf War to meet the demands of the UN peace settlement. Many governments, including those that support the United States overall, worry that if the United Nations does nothing to acknowledge that cooperation, Mr. Saddam will have no incentive to prolong it and could shut down the UN program that monitors Iraq's weapons industry.

In several countries Mrs. Albright visited, the governments were careful to couch in very general terms their assurances of support for the U.S. position that Baghdad has not done nearly enough on several fronts to merit sanctions relief.

Italian diplomats referred on Sunday to a statement by a spokesman for Prime Minister Lamberto Dini after his meeting with Mrs. Albright. Italy simply reaffirmed its "former position" that Iraq must comply with all Security Council resolutions and that tough UN monitoring must continue. The diplomats said they had received no further instructions from Rome.

By telephone from Bonn, a German Foreign Ministry spokesman said: "We are absolutely of the same opinion as the U.S. government that all relevant UN resolutions must be fulfilled before lifting the embargo can be considered. We don't believe these conditions have been met yet."

Germany is one of the United States' strong allies on this issue. Yet Bonn's statement was not that different from France's, which opposes Washington.

"We of course demand, with the rest of the international community, that Iraq obey all its obligations under Security Council resolutions," the French Foreign Ministry spokesman, Richard Duqué, said in Paris last week.

But he added, "We have also said that if Iraq progresses in responding to those resolutions, we must also take that into account."

It is difficult for countries like Argentina, Botswana, the Czech Republic, Honduras and Rwanda to say anything but "yes" when Washington launches a blitz like Mrs. Albright's, diplomats said. She carried toughly worded letters from President Bill Clinton in which he argued that Washington's lead role in the Gulf War and the preventive military mobilization in the Gulf last November entitled it to a leadership role in deciding when to lift the sanctions.

Mrs. Albright carried a U.S. plan that would allow Baghdad to sell more than $1.6 billion in petroleum under UN supervision to buy food and medicines, with less intense monitoring than contemplated under current UN resolutions.

But Iraq's UN delegate, Nizar Hamdoon, said Sunday that Baghdad was unlikely to accept.

"From Iraq's point of view, that deal is dead," Mr. Hamdoon said, because Baghdad regards it as an infringement on its sovereignty.

MOVIES: *For Ouagadougou, a Week in the Limelight*

Continued from Page 1

said Djibril Diallo, a member of the festival's jury. "At the same time, you get the sense that through this kind of art, the continent is recharging its batteries."

For many first-time visitors to this dusty and unimposing city, including the scores of South Africans whose newly democratic country was officially invited for the first time, there is the inevitable question: Why Burkina Faso?

"Burkina Faso is a truly undeveloped country, but we could not allow that to prevent us from trying to organize a festival," said Filippe Sawadogo, secretary-general of Fespaco. "In the 1960s we decided to show the outside world that Africa has its own civilization, its own culture. We have a lot to say, but that begins by controlling our own images."

With the entry of South Africa, which already has a well-developed movie industry, that situation is likely to change quickly. Some members of the cozy circle of French-speaking artists here worry that the festival may soon escape their control.

CHINA: *Prime Minister Assails Mistakes on Economy*

Continued from Page 1

islature poses no threat to the power of the nation's Standing Committee or the ruling Communist Party.

The occasion Sunday was full of pomp and circumstance.

Inside the Great Hall, with a giant red star hanging from the ceiling, a military band played the national anthem and all the likely rivals for power in a post-Deng era were seated together on stage, looking outwardly amicable. Mr. Deng, though chosen a member of the legislature's presidium, did not attend.

Mr. Li focused heavily on economic issues, an area that has been heavily influenced by Deputy Prime Minister Zhu Rongji.

The prime minister set an economic growth target of 8 percent to 9 percent for this year, a brisk rate but well below last year's 11.8 percent increase in economic output. He said the slower pace was needed to hit the government's new inflation target of 15 percent for this year.

He said that the government should tighten "the control and supervision over prices, especially those for daily necessities."

Last year, Mr. Li set an economic growth target of 9 percent. He also set an inflation target of 10 percent, less than half the actual rate last year, when inflation set a record for the 45 years since the Communists took power.

The rapid rise in prices is a cause for popular discontent, even though wages outpaced the inflation rate, and it could lay a populist base for party conservatives who want to stop price liberalization and roll back some economic reforms.

Mr. Li said that the government had "underestimated the repercussions" of reforms that sharply raised prices of grain, cotton, crude oil and other products early in 1994. Weak investment in agriculture and the development of arable land further hurt the nation's harvests and drove up food prices, he said, while heavy investment in industry drove up prices of capital goods. Fearing a drop in growth rates, he added, the government failed to take "emergency measures" or launch an "austerity program" that might have brought inflation down.

"Such a sharp rise in prices was due both to objective reasons and to mistakes of governments at all levels," he said.

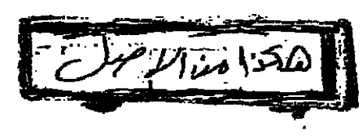
Mr. Li also lashed out at government corruption, another key source of popular discontent.

"We must pay more attention to the importance of combating corruption, a matter of life and death for our nation," he said.

He cited abuses widely practiced around the country: imposing fees and fines at checkpoints on highways, the "arbitrary" imposition of school fees, and the imposition of production quotas for peasants.

Mr. Li, a former electric-power industry official, said that state-owned industry also needed sweeping changes. He said that companies should separate productive activities from social-support activities such as schools and hospitals, and that social services should be gradually transferred to the state. He also said that money-losing enterprises should go bankrupt.

But the Soviet-trained Mr. Li said that the ultimate goal of such reforms was not to wipe out the state industrial sector, but rather "to invigorate the state sector as a whole so as to give fuller scope to its dominant role."



SPONSORED SECTION

GHANA

THE FRUITS OF REFORM

SUSTAINED GROWTH DEMANDS DIFFICULT ECONOMIC MEDICINE

Program attracts substantial inflows of private capital.

Just as Ghana under the late President Kwame Nkrumah led the way in political leadership in Africa in the 1950s, under the newly constitutional leadership of President J.J. Rawlings, it is striving to show the way ahead for economic reform and rapid private-sector-led growth.

In a continent damaged by political upheaval and economic decline, Ghana is becoming a beacon of hope that democracy, peace and economic progress are achievable ends.

Ghana is at different stages in achieving each of these goals. Democracy is slowly taking root; the 1996 elections will be the next test of the new constitution. Peace and security are tangible assets, though marred by last year's communal violence in the Northern Region.

The most substantial achievement has been Ghana's economic progress, as evidenced by a sustained recovery in trade and investment over the past 12 years. It is a country poised tantalizingly on the threshold of substantial growth.

The disastrous years of economic collapse, from the late 1970s to the early 1980s, have been left behind. The trading economy, in which Ghanaians demonstrate remarkable ingenuity and skill, has been restored to health. Thanks to new public and private investment, the principal exports – gold, cocoa and timber – are once again bringing in substantial quantities of foreign exchange, supplemented by an encouraging surge in new exports.

With the gradual – and painful – reining in of an inflated public sector inherited from the early days of independence, the way is being opened up to freedom of action for a newly confident private sector.

Finance Minister Kwesi Botchwey has this year set out a new basis for economic stability and for a higher rate of economic growth. He emphasizes that Ghana can no longer "hover on the edge of recovery" but must regain its momentum for vigorous investment and growth. After last year's somewhat disappointing growth of 3.8 percent, the target for 1995 has been set at 5 percent, and the hope is that thereafter growth can reach the 8 percent to 10 percent horizon

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ROBERT BAILEY

Ghana's future looks bright when seen from the playground of an Accra school.

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"GHANA – THE FRUITS OF REFORM"
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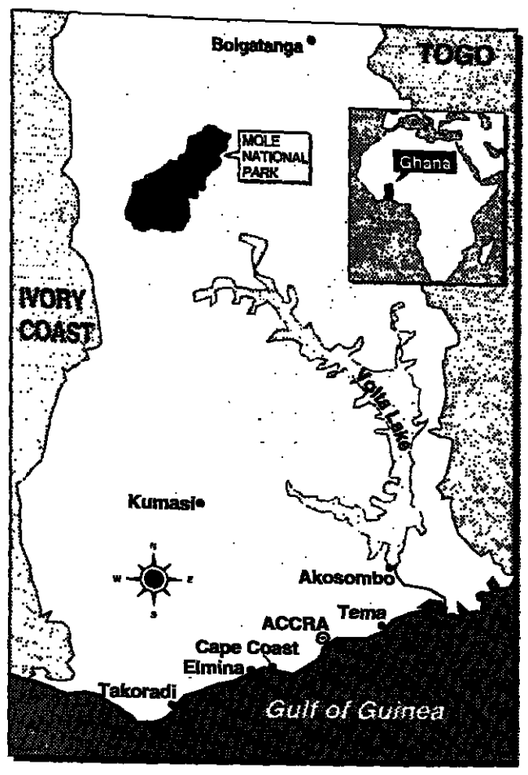
PROGRAM DIRECTOR: *Bill Mahder.*

GHANA



SUSTAINED GROWTH

Continued from page 8

needed for an authentic take-off.

The reforms may continue to be painful, and the gains may be more elusive than were once hoped, but the government is determined to get back on course. Recent slippages have been attributed to the country's transition to democracy, during which the government took time to adjust to the need for greater consultation and debate on tough economic questions. Government expenditures grew unchecked, fueling inflation and pushing down the value of the national currency, the cedi.

Outlining the government's 1995 economic program to parliament on February 1, Mr. Botchwey promised an end to "laxity, malfeasance or politicization." In response, the private sector has welcomed signs of reinforced control, although companies are unhappy that interest rates have to remain punishingly high (currently 39 percent)

'One of Ghana's strongest selling points is its reputation for peace and stability and the absence of crime in the streets'

in order to curb inflation.

Where the private sector stands to gain is in the imminent acceleration of the government's ambitious privatization program and an almost complete relaxation of the regulations governing foreign investment. New opportunities for local and foreign investors are being opened up as the government restates its determination to help Ghana achieve "Far Eastern levels" of economic growth.

Active dialogue

A further boost to confidence will be provided by more active dialogue between the government and multilateral institutions, particularly the International Monetary Fund and the World Bank. New structural adjustment facilities from these bodies will be negotiated over the coming months, following three successive years in which Mr. Botchwey had cause to complain of the bank's non-disbursement of programmed loans. This, he says, "was a major cause of macroeconomic distress and deprived government of a magnificent opportunity to use divestiture proceeds to further increase our reserves."

The latest reaffirmation of the fundamentals of Ghana's economic reform has been cautiously welcomed by a private-sector leader, Ishmael Yamson, chairman of Unilever Ghana. While he expresses regret over what he calls "a loss of focus" that occurred in 1992, Mr. Yamson is encouraged by the current direction of policy and by the government's new willingness to listen to, and act upon, the views of the private sector.

Regular consultations between government and business are now conducted through a variety of forums, of which the most effective has been the Private Sector Advisory Group. It has worked hard to bring about reform in investment and labor law, and legal and regulatory controls.

A newer policy-oriented body, the Private Enterprise Foundation, aims to engage directly with Ghana's democratic and parliamentary committees.

Full-fledged market

As dramatically illustrated by last year's sale on the London and Ghana Stock Exchanges of almost half of the government's stake in Ashanti Goldfields Corp., the country has opened its doors wide to foreign capital.

The performance of the Ghana Stock Exchange has itself become an important measure of the country's standing in international markets. In little over 12 months, the GSE arose from obscurity to become one of the most active small emerging markets in the world. Financial analysts suggest that as the GSE develops into a full-fledged capital market, it will be well positioned to attract substantial inflows of foreign capital over the rest of the 1990s.

The trend toward greater openness to foreign investment was confirmed when parliament last year passed an investment act that removed the need for investment approvals in all sectors of the economy except for mining and petroleum. Investors now have only to register as business entities, whereupon they are free to implement their projects, within the normal rules of the country.

Island of security

One of Ghana's strongest selling points is its reputation for peace and stability and the absence of crime in the streets. "This is an island of security in Africa for foreign investment," says Kwesi Ahwoi, acting chief executive of Ghana Investment Promotion Center, who also points to the wider West African subregion that Ghana can serve: "We are at the center of a large market of 16 countries with 200 million people."

Private investment promoters also favor a focus on Ghana's position vis-à-vis the West African subregion, with a view to promoting its potential as a center of banking, financial services and telecommunications.

No visitor or expatriate Ghanaian returning to Accra after an absence of several years can fail to notice how much better things are, including the airport, roads, hotels and goods that can be bought in the shops. There are real expectations that the once-vaunted education system will get back on its feet.

Ghanaians are known as an enterprising, gentle, well-educated people. They are taking difficult economic medicine, confident that it is the right stuff.

Richard Synge & Denis Herbstein

PRESIDENT RAWLINGS

RAWLINGS FORESEES 'A PROCESS OF REBUILDING DEMOCRATIC INSTITUTIONS'

President J. J. Rawlings provided these answers to questions submitted to him:

In 1957, Ghana led colonial Africa to independence. Do you envisage Ghana now leading Africa toward new ways of sustained economic development? What indications do you see of Ghana becoming a more significant player in the year ahead?

We are proud of Ghana's early history and the inspiration that it gave to the rest of colonial Africa. But this does not guarantee us a leadership role. Leadership and respect must be earned on an ongoing basis, through principled and practical achievement. It is not for me to say how we may be perceived by our peers, but to strive toward building a nation that can give our people stability, self-respect and opportunity, and which can live up to its obligations toward our continent.

In what way has Ghana become prepared, under your leadership, to meet what you recently called "the challenges of the 21st century"?

The 21st century, if present trends continue, promises to be politically unipolar, but with a world increasingly divided between rich and poor. If we had not been able to reverse the economic, political and moral decline of Ghana in the late 1970s, our nation would have been in no condition to face up to the challenges of the new century. While I believe that we should have been able to do more, we do at least have the basic conditions for a sound economy, an attractive climate, democratic and orderly governance under a constitution, and the respect of the international community.

Now that Ghana's military regime has become an elected civilian government, do you think that a democratic culture is emerging that is relevant to Ghana's traditions and social conditions?

'What interests me is social justice and the welfare of the ordinary man and woman'

Firstly, the Provisional National Defense Council (PNDC) was not a military regime. It had more civilians in office than military personnel, even if we include retired soldiers. It would perhaps be more correct to call it a military-civilian coalition. The anger against corruption and the lack of democratic behavior was not limited to the military. Our democratic culture is not a consequence of multiparty elections. It goes back centuries into our traditional system of government, in which the processes for the selection of chiefs, and their removal if they fail in their trust, are matters for every section of the community, including elders, women and the youth.

The PNDC initiated our policy of decentralization and the establishment of District Assemblies to enable as many people as possible to participate in decision-making and the initiation of development projects. Our present constitutional government is therefore part of this process of rebuilding and refashioning the democratic institutions that had fallen into disrepute and disarray.

You have called for "radical shifts in the orientation of the public service." What exactly is needed and what plans does the government have to bring about change?

The Institutional Renewal Program had already taken off. It seeks to give the civil and public service the same degree of urgency and efficiency that is found in the private sector. Several sections of the public service within some ministries, government departments and other organizations have already undergone capacity-building exercises because they were essential components of important programs being undertaken. Other sections, however, have remained sleepy tangles of red tape and bureaucracy, which slow down and frustrate the development process. These are the targets of this exercise.

How have your own ideas of political power changed over the years?

Political power for its own sake has never interested me. What interests me is social justice and the welfare of the ordinary man and woman. I would have been happy to retire from high office in 1992 if I had been convinced that the lessons of the past and efforts of the PNDC had made a deep enough impression to ensure that any government that came to power would respect these principles.

What are the prospects for a solution to the civil conflict in Liberia, and what roles can Economic Community of West African States (ECOWAS) and Ghana play?

We have been playing these roles, in the field and at the negotiating table, for around four years now. This has been at considerable sacrifice, depriving our people of resources that could have provided schools, roads and other much needed amenities.

It is a matter for deep disappointment and even anger that some of the Liberian factional leaders have so far not been able to make the necessary compromises to give their people peace and the chance to rebuild.

We have persevered for so long, despite many discouragements, because we believe we owe a duty to our brothers and sisters in Liberia and to ECOWAS. However, we cannot continue indefinitely to drain our resources without any positive and conclusive results.

As chairman of ECOWAS, are you encouraged by the prospects for greater economic and political cooperation between the countries of the region?

I am encouraged by the prospects, but not so much by the practicalities! There has often been too much talk and not enough committed action. I admit that there have been real obstacles, including internal strife and instability in some ECOWAS member countries, natural disasters such as drought that have affected some members very severely, and the lingering effects of the colonial Anglophone-Francophone division. Nevertheless, I intend to use my term of office as ECOWAS chairman to endeavor to accelerate practical cooperation.

For Africa as a whole, how do you see the future of the Organization of African Unity?

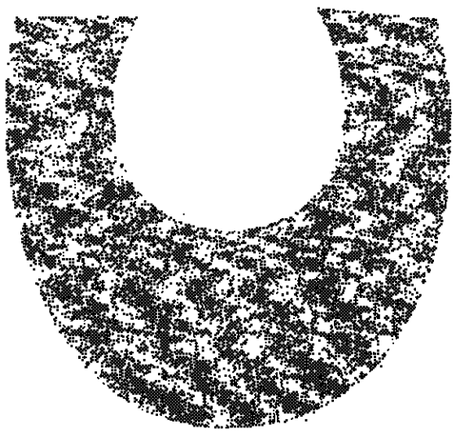
We are committed to the OAU, and despite the limited resources available, we must make it stronger and more effective. African nations must be able to take collective action to resolve shared problems and to make the best use of our continental resources. The OAU will therefore be an important instrument in this task.

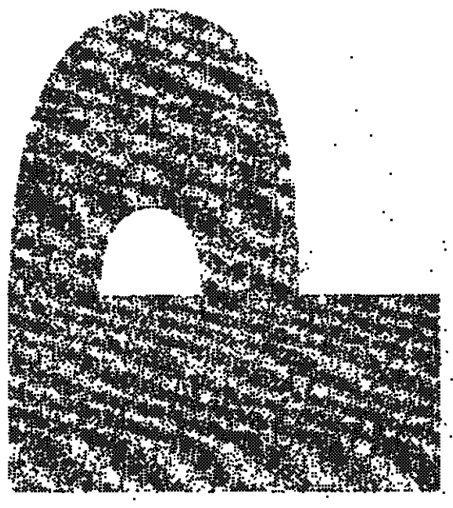

ROBERT BAILEY

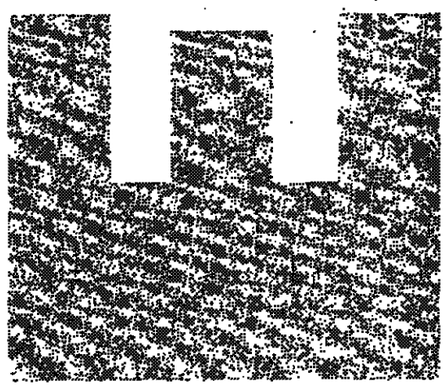
Flight Lieutenant Jerry John Rawlings, who first came to power in 1979 and is now the elected president of Ghana.

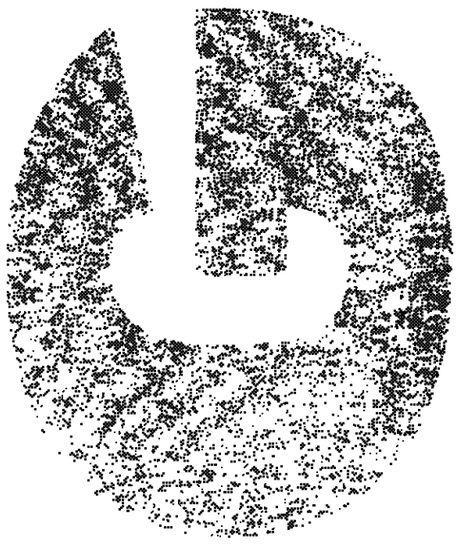
SPONSORED SECTION

THE GHANA EXPORT PROMOTION COUNCIL









The Ghana Export Promotion Council (GEPC) has since its inception in 1969 been the main organisation responsible for the promotion of exports of locally produced goods. It is an executive arm of the Ministry of Trade and Industry and is actively involved with the private sector in the expansion and development of all exports from

Ghana except unprocessed cocoa, unworked diamonds, mineral ores and crude petroleum and petroleum products.

The organisation has as its mandate the following:-

1. Expanding export sales through more effective marketing and the development of new products.
2. Strengthening of the supply base of export sector.
3. Training businessmen and government personnel in trade promotion and marketing.

In addition to the above, the GEPC coordinates feasibility studies and projects for export development, prepares profiles and collects data on export products and companies and handles enquiries for investments in the export sector.

Some of the existing export products for which new markets and further investments are being sought by GEPC are:

AGRICULTURAL PRODUCTS

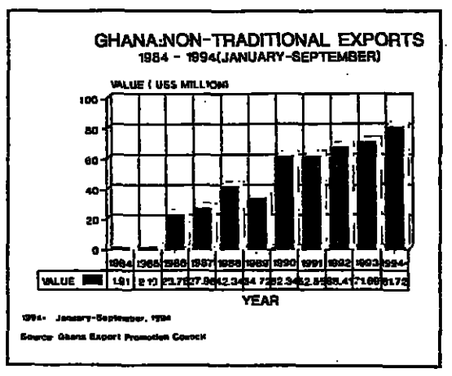
1.Horticultural Products such as:
- Pineapples
- Mangoes
- Avocado Pear
- Cut Flowers
- Potted Plants

2.Vegetables such as:
- Okra
- French Beans
- Courgettes
- Mushrooms
- Aubergines

3.Spices such as:
- Black Pepper
- Ginger
- Chillies

4. Cashew

5. Rubber and Rubber Products



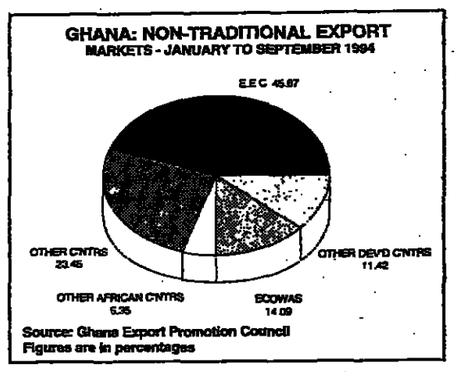
6. Fresh Coconuts and Coconut Products such as:
- Copra
- Dessicated Coconuts

7. Tuber such as:
- Yam
- Cassava

8.Marine Products such as:
- Shrimps
- Lobsters
- Tuna and other fishes

MANUFACTURED PRODUCTS

1. Furniture and other wood products



2. Aluminium Products
3. Agriculture and Food Processing Machines
4. Processed Fruit and Vegetable Products
5. Sculpture and Paintings
6. Chocolate
7. Beer
8. Garments
9. Textiles
10. Rubber
11. Soap and Detergents

HANDICRAFTS

1. Traditional Textiles (Kente, Batiks, etc.)
2. Straw Products (Bolga Baskets)
3. Rattan/Cane Products
4. Ceramics
5. Sculptures and Paintings
6. Jewellery and Other Metal Works
7. Wooden Handicraft Products

GHANA EXPORT PROMOTION COUNCIL

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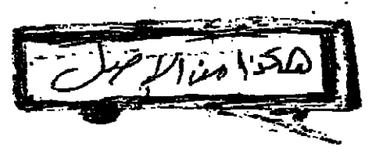


SPONSORED SECTION

GHANA

KWESI BOTCHWEY

MAJORITY BENEFITS FROM REFORMS

In the following interview, Kwesi Botchwey, minister of finance and economic development, discusses the outlook for his country.

How competitive is Ghana as a site for new investment in agricultural, mining and industrial projects?

I think Ghana is quite competitive. The business of competition is basically a question of the macroeconomic environment, especially relative prices, exchange rate policies and stability, as well as the availability of the supporting infrastructure, telecommunications, roads and so on.

In the external sector, as far as exchange rate policies go, I think that we are competitive. Certainly for mining, the evidence is very clear that we are very competitive, and I think the market has recognized it. There has been a bit of a gold rush, with investments of upwards of $1.6 billion in the past five or six years. This is as much a function of our exchange rate policies as it is of our natural resource endowment and the quality of the gold ore.

In the area of agricultural projects, I think that we are also competitive. The ecological, soil and other conditions are very good. The agro-processing field, especially, has good prospects and is very competitive. I have just come from visiting a banana plantation where, paradoxically, the competitiveness of the venture is causing its own problems. Other producers are looking at the Ghana venture with a great deal of concern. They are making it difficult for low unit-cost producers like this one to get into the market, and they are finding ways to ward them off.

In the area of industry generally, we have tended to face competition from far-flung industries, in the Far East and elsewhere, which are more competitive. They are longer-established, and their labor costs are notoriously low. Our labor costs in industry have tended to outstrip these levels, although in absolute terms people do not think they are paid well enough here. In the textile industry, for instance, there is evidence that we are pricing ourselves out of our competitiveness through large increases in labor costs. So we are watching that carefully.

'Reform programs can only succeed if they are explained to the people and a significant consensus is built'

What lessons has Ghana learned during its years of recovery that could be of use to other African countries struggling with economic decline?

I think the most important lesson we have learned is that Africa's condition is not decreed by any law. Here, as elsewhere, mankind makes its own history. We can, indeed, change the circumstances, and we are not condemned to some unavoidable fate.

Ghana's history is very clear. After independence we squandered what appeared to be a substantial legacy from colonialism, and in a few years we began our decline and recorded perhaps the most disastrous deterioration of any economy in the region. But since those days, we have provided an example of what can be done when a country's problems have been resolved and when the policy package is right. There has been a significant turnaround in every sphere of economic activity by whatever statistical measure you judge with. The important lesson is that our fate is not destined to be just a horrible one and that things can be changed through conscious political action, just as everywhere else. Given the right policy environment, our people, our workers, farmers and everyone else can provide the appropriate responses.

Another important lesson is that before a country adopts any program and before a country approaches any multilateral or bilateral institution for help, the country itself must decide what it can do, what it can live with, and what time frame it needs for policy adjustment. It is no use going anywhere without a clear-sighted policy framework that defines political objectives, anchored in a clear understanding of the country's social, political, cultural limitations and possibilities. Too many of our countries fail to do this and expect donors to do them a good turn. The world is not like that. It's important to know your terrain and to be very clear about what you can do and what you can live with.

Thirdly, our experience shows clearly that reform programs can only succeed if they are explained to the people and a significant consensus is built. You cannot do these programs with somebody wielding a big stick and whipping everybody in line. A lot of political work needs to be done. Even in the Provisional National Defense Council (PNDC) period in Ghana, when we did not have political parties or the democratic institutions that we have now, there was never any occasion when the military or the police were called out just to hit people on the head to accept these policies. It was largely done through a period of debate and discussion. Programs need to be clearly understood.

Some critics have alleged that only a minority of Ghanaians have profited from structural adjustment, while the majority have remained in poverty. Do you foresee a wider economic development process that could redress the apparent imbalance?

We have done poverty surveys to determine the impact of adjustment. The evidence we have does not suggest that the majority of the people have not benefited from the adjustments. On the contrary, the evidence suggests clearly that a majority have benefited. The majority live in the rural areas and are farmers, producing food, cocoa and other cash crops, and because we have pursued policies that have gradually adjusted relative prices in favor of production, we have been able to pay these farmers more.

Cocoa farmers are now getting a much higher percentage of the world market price than they have ever received since the program began. As a result, there has been a significant redistribution of income in favor of the rural areas, where the bulk of our people live. So it is not the case that the majority of the people have not benefited from the structural adjustment program.

ROBERT BAILEY

That is not to say that there have not been any casualties. In the urban areas, to the extent that we have redeployed people away from the civil service, we have paid them money, given them benefits and helped retrain them to get them into other occupations. But different categories of the urban poor have suffered. Disadvantaged people were affected, and that is why we devised a program to mitigate the costs of adjustment to vulnerable groups, such as nursing mothers, the urban unemployed and redeployed people. We devised programs targeted at these groups to assist them. I can't pretend that this did all the work. There was some hardship among these groups, which was inevitable in the short run.

Overall, we have not been able to raise the level of growth high enough to enable the bulk of the people to see the real benefits of adjustment. With only a 5 percent rate of GDP growth and with a population growth rate of about 3 percent, there is only a 2 per cent increase in per capita income each year. That is so small that its overall impact is not felt. Nevertheless, the record clearly shows that the bulk of the people have benefited from the adjustments.

'We devised a program to mitigate the costs of adjustment to vulnerable groups and the disadvantaged'

Is there a large-scale economic diversification under way, and what are the sectors of special interest to new investors? What areas of growth do you expect in Ghana's exports and foreign exchange earnings?

There is diversification. The largest investments have gone into mining, so that gold has now outstripped cocoa as our leading export. We are exporting more than 1 million ounces of gold each year, compared with less than 400,000 ounces before the economic recovery program. But the most significant diversification is in the development of our so-called nontraditional exports, mainly in horticulture, fruits and vegetables, kola, salt, fish and fisheries products.

These have grown threefold at least and are still expanding. In manufactures, we have companies producing shirts for the export market, and there is new light manufacturing. So we are beginning to see the kind of things that triggered off the East Asian miracle. The process is under way, even if we have not yet been able to galvanize a critical mass that would make a significant difference.

The most interesting areas for foreign investors over the medium and long term – apart from the traditional areas of gold and cocoa, where production is still growing – are in the nontraditional exports in the agricultural and industrial fields. The best prospects are in agro-processing where soil conditions and rainfall patterns appear most favorable.

Are there prospects for more beneficial economic cooperation with other countries in Africa?

There are indeed a great many prospects for economic cooperation, especially in the sub-Saharan region. In fact, that is where our salvation lies. One of the key reasons that we have not been able to attract large-scale foreign direct investment is that our markets are very small. We are competing with very large countries like China, and the only way we can make progress is to integrate, so that our markets will be enlarged. It would also make for more rational distribution of resources, instead of everybody building their own smelters, refineries, thermal plants and so on.

We, as current chair of the Economic Community of West African States (ECOWAS), are taking this business seriously, and we have begun to work consciously to forge closer links, firstly by working toward the harmonization of macroeconomic policies, secondly by facilitating the freer movement of persons and goods, thirdly by improving the working mechanisms of the West African Clearing House so that payments can be effected for trade exchanges and finally by encouraging multinational industrial projects.

For instance, we are discussing a gas pipeline from Nigeria through Benin and Togo to Ghana, which would serve this coast, utilizing Nigeria's gas, which is currently flared while many of our countries have critical energy problems. We are also cooperating in telecommunications and in infrastructural development. **Interview by R.S.**

GHANA

THE GOVERNMENT DECIDES TO LEAVE BUSINESS TO BUSINESS

The accelerated privatization program, affecting major state-owned companies and banks, aims to "unlock the economic potential of the country."

A recent announcement that 109 state-owned enterprises are to be sold off over the coming months is another sign of the Rawlings government's commitment to encouraging private investment. The sale promises to include some substantial contributors to Ghana's economy such as the national airline, Ghana Airways, the Posts and Telecommunications Corp., the State Transport Corp. and the State Insurance Corp.

These sales are in addition to the flotation of government holdings in at least three major Ghanaian banks on the Ghana Stock Exchange over the next 12 months. Following 120 divestitures and disposals already made during the past five years, there is now ample evidence that the government has no desire to keep control of businesses that were once disparagingly referred to as "the sacred cows." Even the powerful Ghana National Petroleum Corporation is due for restructuring and privatization, senior government officials have confirmed.

The sale of trading and financial institutions that were founded as state-owned businesses will take Ghana's disposal of national assets to a new level. In support of this latest push for economic liberalization, ministers and officials now repeat the mantra that is frequently heard throughout Africa: "It is not the business of government to be in business."

Streamlined methods

The sell-off program is being accelerated as well as extended, says the executive secretary of the Divestiture Implementation Committee (DIC), Emmanuel Agbodo. "If investors give us clear proposals, we will see that they are fully considered in no more than 60 to 90 days," he says. The various methods of divestiture are being streamlined.

In line with international trends, Ghana's methods of selling off government shareholdings are becoming increasingly sophisticated. In addition to improving its own workings, the DIC intends to work closely with Ghana's merchant banks in a number of future divestitures. The involvement of banks and finance houses is seen as particularly appropriate for those companies in which the public would be allowed to buy shares through the stock exchange.

> ***'Joint ventures, leases and management buy-outs have all been encouraged'***

The fledgling Ghana Stock Exchange grew phenomenally last year, with the sale of Ashanti Goldfields Corporation shares pushing up the market's total capitalization to $1.8 billion at the end of last year, compared with only $140 million at the end of 1993. The Ashanti flotation, however, was divestiture on a grand scale that, unlike most other Ghanaian enterprises, was able to attract major institutional investors from around the world who were invited to buy their shares on the London Stock Exchange rather than the GSE.

"Attractive opportunities"

The recent growth of the GSE should be sustained by the sale of shares in Social Security Bank, National Investment Bank and Ghana Commercial Bank over the coming months. "An intensified privatization program, which will begin with the financial sector, will be a source of attractive investment opportunities," say Databank analysts. "Steady and sustainable growth fueled by privatization should position Ghana as an attractive market for long-term investors." To date, however, only a few divestitures – of the high-performing enterprises – have been channeled through the GSE.

The DIC deals with the good and bad performers alike, ensuring that the government takes responsibility for old debts and liabilities before a sale goes ahead. In the past five years, it has successfully disposed of a number of significant industrial enterprises.

The former GIHOC Steelworks has been renamed Tema Steel Co. under largely British ownership and operates as the leading steel producer in Ghana. West African Mills cocoa processing company of Takoradi has been revived by German interests and is back in full production. German interests have also bought the seven factories of the Tema Food Complex, where new production units are due to start up soon.

The fact that Coca-Cola International has also negotiated to participate in the bottling operations of the Ghana National Trading Corp. in an investment that could eventually total $20 million is seen by DIC's Mr. Agbodo as a "strong signal to other multinationals."

The sales that have brought the most revenue to the government to date are those of breweries, food and canning factories, steelworks, cement works and gold mines. By June 1994, a total of 30 companies had been sold outright, 23 had been divested through the sale of government shares, 11 had been re-established as joint ventures, four had been leased and 35 had been liquidated. Excluding the $300 million earned by the sale of shares in Ashanti Goldfields, the gross proceeds of divestitures amounted to about $70 million by mid-1994.

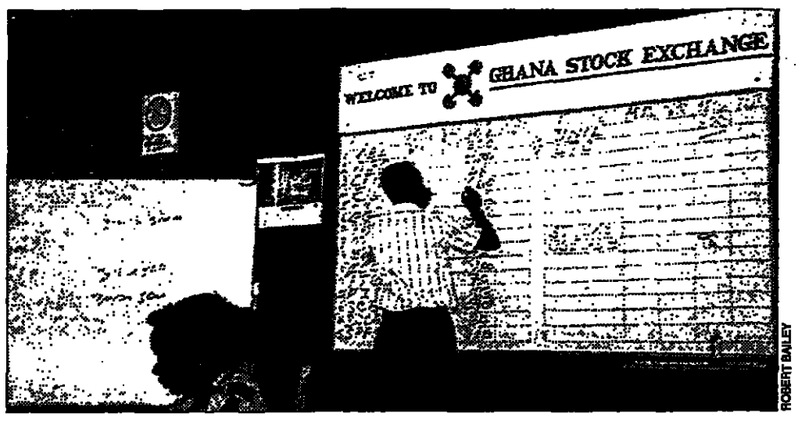
The method of divestiture has depended largely on the nature and size of the enterprise and on whether there are shareholders other than the government. Where the government was a part-owner, it has normally offered its stake to other shareholders in the first instance. In some cases, the government has retained shares with a view to a future quotation on the GSE. In each method used, the DIC has as much as possible tried to involve the private sector through the use of consultants. Joint ventures, leases and management buy-outs have all been encouraged.

Set of guidelines

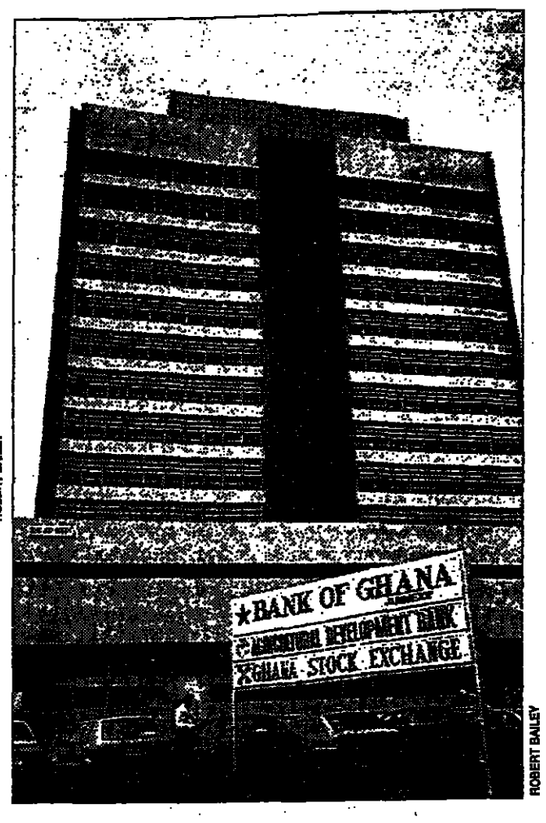
In a few cases where would-be investors could not fulfill their commitments, a number of firms have had to be sold for a second time and have sometimes aroused greater interest as a result. A second auction for Ghana Oil Palm Development Corp. attracted a bid of $11.1 million from a major international oil palm group, considerably more than the highest bid of $6.4 million made in the unsuccessful first round.

The order in which the next large group of companies will be sold is still being studied, but announcements will follow without delay, says Mr. Agbodo. To assist companies that want to bid, the DIC is preparing a new set of guidelines. Further modifications of sale methods are under consideration, with a view to encouraging greater participation by Ghanaian investors. In the past, the inability of some bidders to produce the necessary deposits has also led the DIC to revise its procedures and to introduce the use of bid bonds worth 10 percent of the value of the sale.

The primary aim of the privatization program, as spelled out by the DIC, is to "unlock the economic potential of the country by permitting resources of people, money and technology to be put to their best use." The next stage of divestiture promises to bring in a wide range of new players, including a number of Ghanaians with assets abroad who have been waiting for the right opportunities before committing themselves to the challenge of doing business in Ghana. R.S.



ROBERT BAILEY



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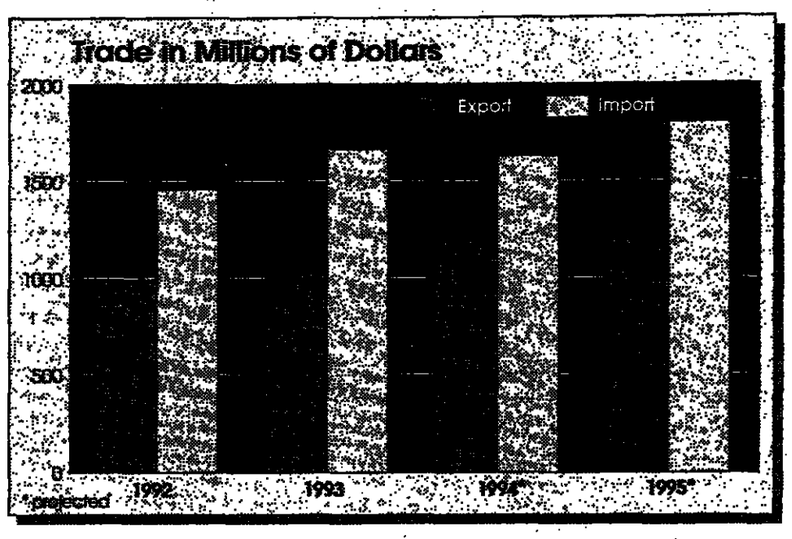


SPONSORED SECTION

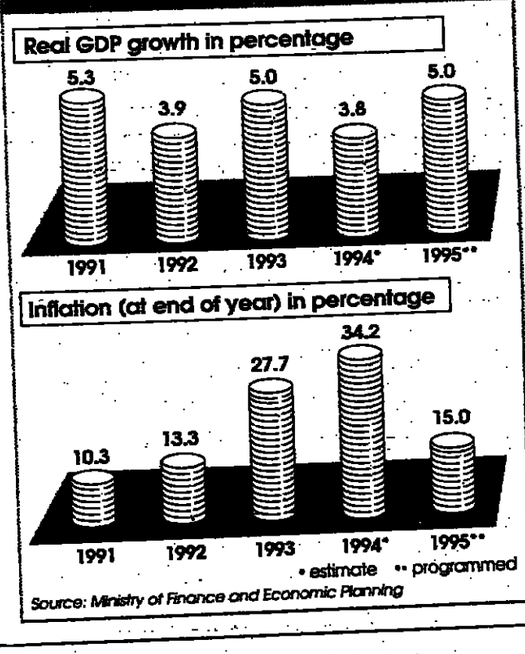
GHANA

Basic Data

Population: 15.3 million
Population growth rate: 3%
Religions: There is freedom of worship. There are traditionalists, Christians, Muslims and some Oriental faiths.
Government: Executive presidential system.
Languages: English, Akan, Nzema, Hausa and Ewe
Work week: Monday through Friday


ANNA TULLY

Economic Indicators



Source: Ministry of Finance and Economic Planning

Harnessing Gas to Meet Power Needs

The Tano basin development will tap large reserves.

Ghana's Akosombo dam has long been a showpiece of hydroelectric power generation in West Africa, but its vulnerability to droughts in the subregion means that alternative sources of power have to be developed. Without such alternatives, low water levels in the Volta Lake can force the Volta River Authority to reduce power output, as has been the case in recent months, to the detriment of industrial and domestic consumers in Ghana, Togo, Benin and Ivory Coast.

The VRA has identified the need to expand power production capacity by about 500 megawatts over the next three years and plans to build a number of thermal plants. One source of new power will be the Ghana National Petroleum Corporation, which is putting finishing touches to a plan to generate 130 megawatts from Ghana's natural gas resources in the Tano basin, off the southwestern shore. When the project starts, perhaps next year, the years of planning for the harnessing of Ghana's own oil and gas resources will have paid off.

"With our estimated reserves of 200 billion cubic feet of gas, we can generate enough electricity to meet the needs of the mining industry in the Western Region for the next 15 years," says GNPC's chairman and acting chief executive, Tsaisu Tsikata.

Construction of the $200 million Tano scheme has to start soon to meet the GNPC's target for gas and power production to commence in the first half of 1996. Engineers, financiers and the GNPC are hammering out the details. They are likely to opt for a fixed gas gathering platform in the North Tano field, to be supplied from eight production wells in the North and South Tano fields.

The gas would be processed and delivered to barge-mounted turbines, where electricity would be generated by the newly established Western Power Company for distribution throughout the Western Region. Financing details should be finalized in April this year, says Mr. Tsikata.

Economic spin-offs

The profitability of the gas-to-power project will be assisted by the collection of crude oil along with the gas. All the oil collected will be shuttled to Ghana's refineries, helping to reduce the heavy financial outlay for Ghana's oil requirements.

The Tano project could bring other long-term economic spin-offs. Although Ghana has never been favored as a major hydrocarbons producer, GNPC hopes that its gas project will stimulate new exploration activity. "There would be clear advantages for the oil industry to develop the hydrocarbons potential of a politically stable country like Ghana," says Jeffrey Knox of Chemical Bank, GNPC's financial adviser for the Tano project.

A further long-term benefit would be the development of Ghanaian expertise in handling natural gas, additional supplies of which may eventually be brought by pipeline from Nigeria.

Expressing his conviction that Ghana can become an important center for the West African subregional hydrocarbons industry, Mr. Tsikata speaks of the possibilities of a close interaction between Ghana and Ivory Coast in developing a natural gas industry, in view of recent gas discoveries on both sides of the two countries' maritime border. He is also in favor of an expansion of the Tema oil refinery to meet the growing needs of the Ghanaian market and of neighboring countries such as Togo and Burkina Faso.

A project of special subregional significance is a proposed natural gas pipeline that could run from Nigeria, through Benin and Togo, to Ghana. It is intended to draw on natural gas that is currently being flared in Nigeria, for the benefit of neighboring countries. A 1993 feasibility study by Italy's Bain, Cuneo e Associati estimated a savings of about $500 million to the consuming countries over a 20-year period.

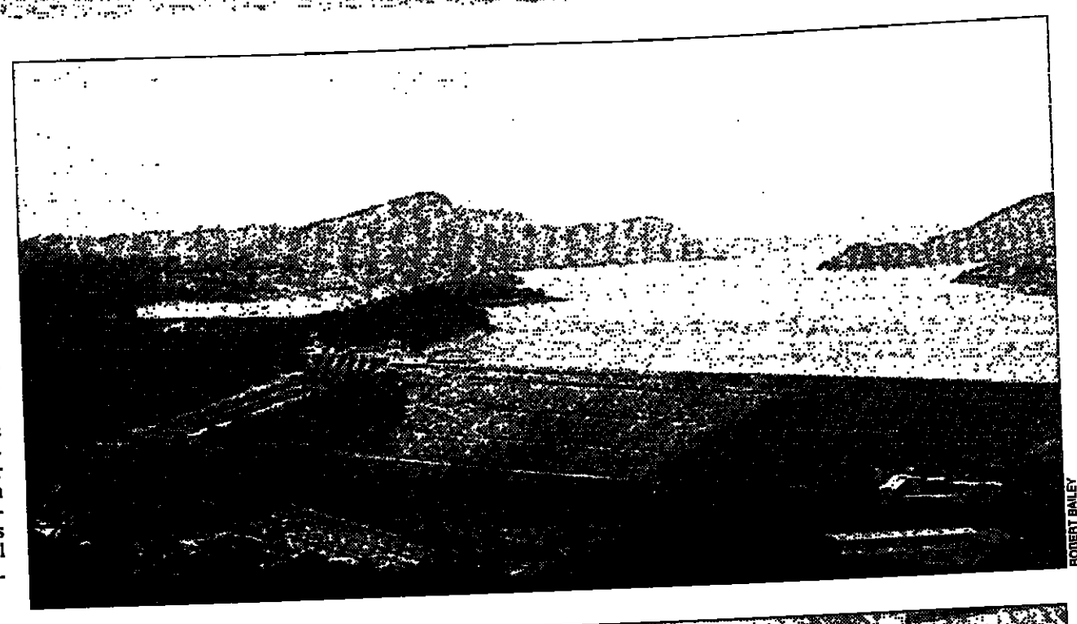
Liberalization policy

The four countries are close to agreement on the main issues for the $260 million scheme. The next step is to define the detailed route of the pipeline. The operating company is intended to be a private-sector enterprise, bringing together foreign and West African investors. The GNPC is also preparing for privatization. The restructuring of the corporation has started with a separation of GNPC's function as sole purchaser of petroleum for Ghana from its other trading and investment activities. As such changes are followed through, Mr. Tsikata expects a complete liberalization of fuel pricing within Ghana and an end to what he calls the "inflationary psychology of fuel pricing."

"Liberalization will require close coordination between GNPC and the fuel marketing companies," he adds. "There needs to be a clearinghouse for the price determination to be done jointly in the oil industry and then communicated to the public. The legal framework has been established, and there are plans to achieve it in the near term."

Price liberalization is just one among a number of major changes in store for GNPC, which in little over 10 years of existence has become an important force in the Ghanaian economy. It has investments in activities as diverse as gold processing and salt mining as well as in its own area of expertise, the oil industry, where it employs about 60 professional geophysicists, geologists and engineers out of a total staff of 600 and has built up a stock of oil drilling equipment, including a drill ship and a production platform.

R.S.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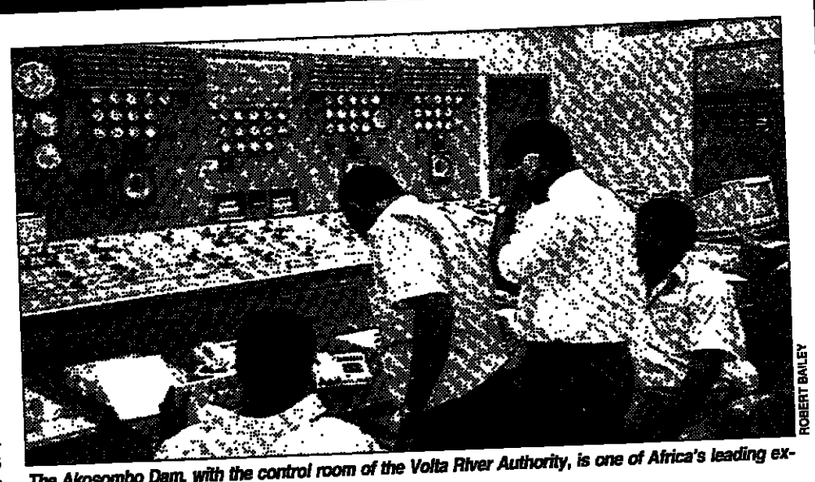

ROBERT BAILEY

The Akosombo Dam, with the control room of the Volta River Authority, is one of Africa's leading examples of hydroelectric power generation.

GHANA

BANKS RESPOND TO THE CHALLENGES OF THE 1990S

A free and deregulated system is helping the financial sector to develop and diversify.

The ongoing deregulation of Ghana's financial sector is giving bankers and financiers in Accra new confidence and purpose, often illustrated by their choice of airy, modern offices. While the traditional commercial banks still cling to the old financial center along the capital's congested High Street, the newer banks are dispersed through the city's tree-lined inner suburbs.

The father of the new age of Ghanaian banking is Afare Donkor, who in the four years since he opened Continental Acceptances Limited – now Cal Merchant Bank – has done much to encourage the return to Ghana of a young generation of financial wizards with experience on Wall Street and in the City of London.

From the head office on Independence Avenue, he has instigated and inspired a mushrooming of new corporate finance houses, discount houses, leasing companies, brokerages and venture capital funds. "We now have some depth in the financial market, which is poised for new developments," Mr. Donkor says.

Three new banks have been licensed to start business this year, and others are on the way. The codirectors of Databank Brokerage, Ken Ofori-Atta and Keli Gadzekpo, who helped build up the Ghana Stock Exchange and successfully brought emerging market funds into Ghana for the first time, now have their sights set on building up a serious investment banking firm.

African cooperation

Mr. Ofori-Atta explains that in the longer term he hopes to encourage the private sector throughout Africa to come together, "establishing capital markets infrastructure and a family of investment funds, leasing companies, etc., so that savings can be mobilized and equity capital identified for medium- and long-term investments."

The traditional banks are also responding to the challenges of the 1990s. "The banks are becoming more sophisticated and are competing strongly for corporate business," notes Ian Knapman, managing director of Barclays Bank of Ghana. "The free and deregulated system is helping the financial sector to develop and diversify."

As a leader of computerization in the industry, Barclays is installing a single data base to serve its network throughout the country. Lagging behind are the state-owned banks, which hope to pursue more active modernization and diversification once they are freed from government control through a series of planned stock market flotations over the coming months.

Greater profitability

The state-owned Ghana Commercial Bank, which accounts for approximately 40 percent of deposits in the system, has so far computerized only six of its dozens of branches throughout the country. GCB Managing Director Helen Lokko looks forward to privatization as an opportunity not only to modernize but also to speed up management decisions and achieve greater profitability.

"We will be able to pick and choose in the light of the advantages of our operations and the community we serve," Mrs. Lokko says. "We'll still take our decisions conscious of the needs of development and environmental issues. The difference is that we will be freer to take decisions, and the shareholders will have a say in the running of the bank."

But even as the financial sector brings itself into line with international norms, bankers are constrained in their ambitions by the visibly damaging effects of high inflation, which has brought the economy close to what one banker calls a "shaky standstill."

"The current level of inflation is not tolerable for consumers or manufacturers," says Mrs. Lokko. "One of our main areas of concern is the availability of credit for manufacturers and the agricultural sector. We want to assist them, and a great deal is expected of the banks, but if interest rates continue to be as high as they are, there will be a problem."

Back on track

Bank of Ghana Governor G. K. Agama issues soothing words of reassurance: "We believe that we are coming back on track in consolidating monetary stability," he says. "The key is to make sure that the budget runs in balance." Mr. Agama sees 1995 as the critical year for the creation of an environment that will allow for the promotion of the private sector on a large scale.

Finance Minister Kwesi Botchwey's prescription for high inflation is a promise to mop up liquidity in the system with the help of secondary market or open market instruments. The central bank is exploring the use of such instruments with the financial community and is encouraging more mortgage-type activity by nonbank financial institutions and the Ghana Stock Exchange.

In reference to the falling value of the cedi, Mr. Botchwey also promised more prudent fiscal policies this year to help to reduce the pressure on the currency. For his part, Mr. Agama is confident that the cedi is sufficiently depreciated to ensure the competitiveness of Ghana's exports, and he is hoping that a continued rise in the value of "nontraditional exports" over the coming year will bring substantially more foreign exchange into the system.

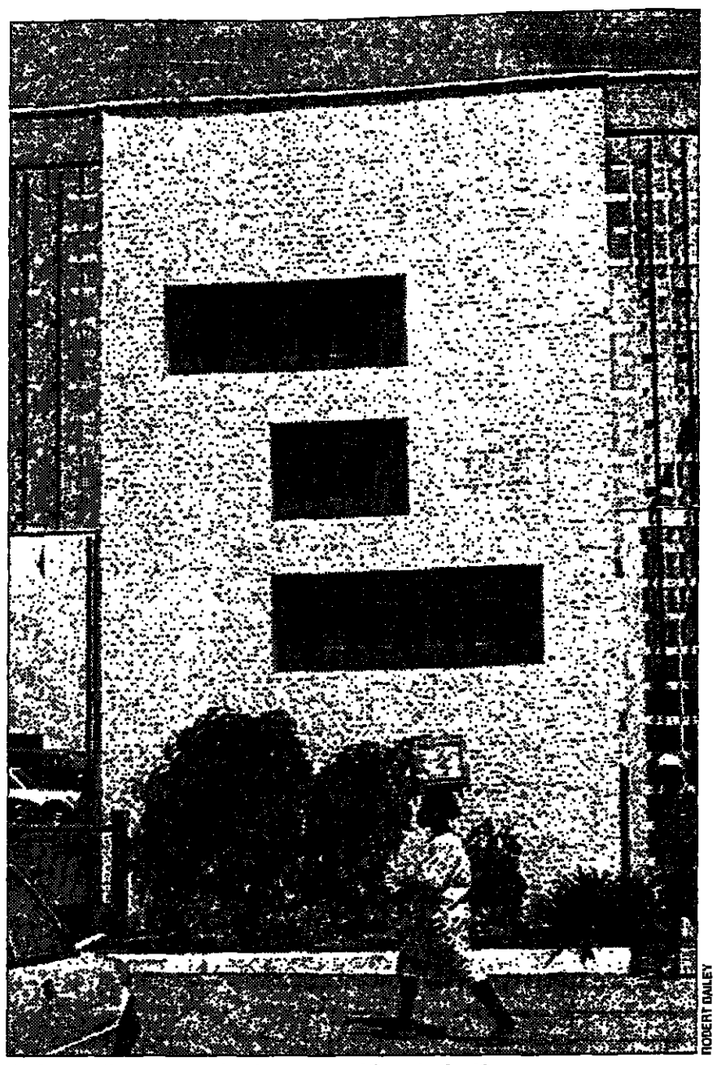
Cocoa cash flow

It is not easy to exert monetary controls in such a cash-dependent economy. Anything up to 50 percent of the country's cash is held by farmers and traders in their pockets or in their homes. Many live too far from towns to be able to make use of a bank.

Inflationary pressures are created by the annual surge of money into the cocoa-growing areas during the buying season. Last year, the farmers were unusually cash-rich as world prices stayed firm and the buying system became notably fairer to the farmers, fetching them around 60 percent of the world price, instead the lower returns that prevailed for many years. In addition, the value of the cedi tends to be dictated by the high demand for dollars during the two seasons of substantial demand for imports at Christmas and Easter.

Despite current uncertainties, there is no doubt that numerous opportunities still exist for the emerging financial sector. Areas of potential growth are provided by the challenge of bringing more cash into the banks, by the urgent need to generate more investment internally and by the proposed flotation of the GCB, the National Investment Bank and the Social Security Bank.

Financial sector adjustment is set to continue and gather pace, but there are some testing times ahead. Neither the government nor the bankers are yet sure how long it will be before their reforms will start to generate genuine productive investment for accelerated growth. **R.S.**



ROBERT DAILEY

Modern architecture symbolizes the new age of Ghanaian banking.

POST-APARTHEID CONTACTS GROW

South Africa's mining houses lead the way to reconciliation and more trade.

In the bad old days when it was South Africa's policy to destabilize African opponents of apartheid, Ghana might justly have feared bugs planted by the secret police, BOSS. Now, since Nelson Mandela has made South Africa a respectable place to do business with, Ghana is expecting a large increase in legitimate trade.

The first big deal was Ashanti Goldfields' purchase of sulfide-eating "bugs" from Gencor, formerly the mining house of the Broederbond, the secret Afrikaner brotherhood responsible for many of the country's evils.

Most of the major Rand mining houses are either exploring or mining in Ghana. Gencor, now markedly progressive, has just bought the Billiton Bogosu mine, the fourth-largest in the country (109,000 ounces exported in 1994). It had earlier failed to acquire control of Lonrho's mining interests, which included Ashanti Goldfields.

JCI (Johannesburg Consolidated Investment) operates the state-owned Prestea Mine, which it is expected to buy soon as part of the privatization process. The mine produced 20,000 ounces, making $7.3 million last year. Goldfields SA has already bought the state-owned Tarkwa mine. Anglo American has an office in Accra and is prospecting for gold.

The most famous name of all, De Beers, is managing Ghana Consolidated Diamonds, the sole overseas company mining diamonds. John Hsuan, the British general manager, says the decision to carry on will be made in August with the completion of a long-term viability study of the Birim Valley, where the mine is situated.

Reserve trade is small by comparison. Ghana Airways now flies once a week to Johannesburg via Harare and will fly twice weekly beginning in July. The timber industry reports that South Africa is rapidly becoming an important destination for Ghanaian products.

Later this year, the Export Promotion Council plans to take Ghana to Cape Town with a handicraft exhibition, a trade and investment conference and performances by the Ghana Dance Ensemble. **D.H.**

GHANA

TRAWLING FOR INVESTMENT BRINGS IN PROMISING CATCHES

Sale of Ashanti Goldfields shares opens the way to expansion of stock exchange.

Ghana has probably done more than any other country in Africa to encourage new investment in all areas of its economy. Though the flow of direct investment is still lower than hoped, Ghana's open-door policies are clearly paying off as increasing numbers of foreign companies send missions to Accra to check the opportunities.

"Every week, I hear of more foreigners opening bank accounts at our main branch in Accra," says the managing director of Ghana Commercial Bank, Helen Lokko. "I don't know if their plans will materialize into actual investment, but the level of interest in Ghana is certainly increasing. This is a ray of light. Whether it becomes a beam remains to be seen, but if there is peace and stability in Ghana, there is no reason why not."

Mrs. Lokko's optimism is reflected in many offices around the capital. There are indications that Ghana has arrived on the world business travel map, perhaps helped by the fact that it is a convenient and pleasant midway stop between Europe and South Africa, with improving airline connections throughout Africa and the wider world. And just as the air travel routes have diversified, so have the methods of investment in Ghana.

Windfall for government

The most dramatic opening up of Ghana to foreign investment came last April with the sale of shares in Ashanti Goldfields Corp.: Institutional and other investors from around the world snapped up 17 million shares put onto the London Stock Exchange, earning the government $360 million.

The immediate benefits to Ashanti Goldfields were a sharp increase in the company's valuation – now standing at $1.7 billion – and access to capital for gold mining investment in Ghana and throughout Africa. The additional sale of 4 million Ashanti Goldfields shares to Ghanaian buyers produced a surge on the tiny Ghana Stock Exchange, raising the market's capitalization from $140 million at the beginning of 1994 to $1.8 billion at the year's end.

Another boost to this fledgling market came in February 1994 with the disposal to foreign funds of the government's shareholdings in seven listed companies, raising $25 million.

The GSE currently lists 17 companies, up from 11 at the time the market was launched in November 1990. The value of shares traded has grown over the years, from less than $1 million a year until 1993, when trading reached $4.6 million. Trading jumped dramatically to $73.5 million last year.

A review of 1994 by brokerage firm Databank states: "The Ghana Stock Exchange has become one of the most popular emerging markets in the world. . . . It is difficult to predict whether 1995 will surpass the outstanding performances of 1993 and 1994; however, steady and sustainable growth fueled by privatization should position Ghana as an attractive market for long-term investors."

Investment houses

The deepening and broadening of Ghana's financial sector has led to what one of the country's leading bankers, Afare Donkor of Cal Merchant Bank, calls "a beautiful collection of institutions for facilitating all kinds of investment," including discount houses, leasing companies, corporate financing houses, financial boutiques and a venture capital fund.

"I can see Ghana developing as a financial center," Mr. Donkor says. "What we now need is to build confidence, to improve our telephones, roads and hotels, and to start thinking on a bigger, subregional scale."

Foreign investors are beginning to arrive in areas other than mining and finance. Among the more significant newcomers are Coca-Cola International, Metal Box, AT&T, Millicom (mobile communications) and Starkist (tuna canning), helping to bring the total of U.S. companies operating in Ghana to 43.

There is also a growing contingent of companies from Far Eastern countries – at the latest count, 35 from Hong Kong, Taiwan and South Korea – with activities ranging from metalworking and paper manufacture to fishing and tourism.

The Ghana Investment Promotion Center hopes that recent changes to the investment code will help stimulate new direct investment to a more substantial level than the past three years' annual average of $35 million (the figure does not include the mining sector or flows via the stock exchange).

"We feel we should be able to bring in more than $100 million a year," says GIPC's acting chief executive, Kwesi Ahwoi. "At that rate we could be creating 10,000 new jobs a year."

The regulatory environment could hardly be more conducive. The investment law of September 1994 removed the necessity of specific approval for new projects.

"The government acceded to the request of the private sector to remove all the GIPC's regulatory functions and to leave its promotional functions," explains Mr. Ahwoi. "Now there are entirely automatic mechanisms for non-dutiable investment capital items, as well as for tax holidays and customs and immigration requirements. This is a very significant departure from past practice."

He adds: "We have met all the expectations of the private sector. Ghana has security of establishment, free transferability of profits and dividends, safety for the individual and guarantees against expropriation. We are still a flagship of structural adjustment, and we have even exceeded expectations in our liberalization process. All goods can freely enter the country. Although our industrialists are complaining, we feel that protection would breed inefficiency."

Selling campaign

Unperturbed by the apparently slow response of investors to date, the GIPC sales team is planning a relentless campaign to sell the country's comparative advantages in agro-processing, horticulture, fishing and light industry. GIPC hopes over the coming months to attract investors from South Africa, Germany and the Nordic countries.

A hard-headed view is put forward by the chairman of Unilever Ghana, Ishmael Yamson: "Multinationals do not invest in a high-inflation environment. We are still waiting for the stabilization that has been promised for the past two years. It is a matter of confidence."

But despite this criticism, Mr. Yamson concedes that there is an encouraging openness of debate about economic policy, and he is confident that the government is carefully listening to the demands of the private sector for more control over public spending and inflation.

His long-term prognosis remains positive: "If the cedi can be kept competitive within the West African region, we can develop our manufacturing competitiveness, whether it is in textiles, agro-processing or other products. All Ghana needs is greater focus to develop its areas of competitive advantage."

Paralleling the concerns of the multinationals are the challenges confronting small and medium-sized Ghanaian entrepreneurs, which are the best placed to set in motion a broad diversification of the economy, but are also the hardest hit by high inflation and interest rates.

The Bank of Ghana is being strongly urged to explore innovative ways to stimulate small-scale investments. As inflation begins to come down, there is every prospect that investor confidence will improve.

Great hopes are being pinned on the channeling of hundreds of millions of dollars held by Ghanaians living abroad into productive enterprises. **R.S.**

ROBERT BAILEY

Gold bars, the end product of the Obuasi mine of Ashanti Goldfields, are worth their weight in export earnings.

SIMPLIFIED MINING LAWS PUT GOLD BACK IN FRONT

Production soared last yuear to five times what it was in 1984.

The Gold Coast is being reborn in modern Ghana, not as a reversion to its colonial name, but as the motor that might get the economy into orbit. Activity is feverish. Foreign and Ghanaian prospectors comb the land believed to contain one of the world's largest and richest reserves of gold.

A Canadian firm conducting an airborne geophysical survey will soon reveal more of the secrets buried in the mineral-rich southwest. Production soared last year to 1.4 million fine ounces, five times what it was in 1984. It could reach 2 million by 1997. Last year, gold earned Ghana $538 million, easily the largest contribution to the national coffers.

At the forefront of this activity is Ashanti Goldfields, whose flotation on the London and Accra stock exchanges last April was a landmark in the country's economic progress.

Incentives offered

The upsurge in activity was a direct outcome of the deregulation that simplified the mining laws in 1986. Minerals Commission chief Kofi Ansah says it offered an incentive to mine lesser-grade ores. "Before that, Ashanti was concentrating on the rich ore," he says.

As a result, Teberebie Goldfields, in which the Pioneer Group of Boston has the largest share, has moved from a standing start in 1990 to become Ghana's second-largest producer. It has low-grade ore, says Mr. Ansah, but also a good low-cost operation.

Another recent arrival, Douglas Chikahora, Zimbabwean general manager of the concession at Ayanfuri of the British company Cluff, says the potential for gold is as good in Mali, Guinea and Burkina Faso, "but there they have no clear-cut mining law and everything is negotiable."

He continues: "Here they have laid down the parameters of how to operate. The red tape has been cut. I've been here since 1988, and I don't know where the visa office and the tax office are. It's a one-stop operation. Everything goes through the Minerals Commission."

The new mining code coincided with the appointment of a dynamic 37-year-old Ghanaian, Sam Jonah, to run Ashanti Goldfields. His predecessors had been seconded from Lonrho (which still owns 43 per cent of AGC). The new managing director knew how to react to the liberal regime. In the course of a $600 million, three-stage expansion, the company has changed from a small, high-grade mine to a large, capital-intensive medium-grade mine. It was funded by the International Finance Corporation, the World Bank's private investment arm, and from company profits.

Bugs eat sulfide

The most striking technological innovation at Obuasi is the BIOX bacteria process, in which a living organism, Thiobacillus Ferooxidans, literally eats the sulfide out of the gold ore. Previously, the ore was roasted, loosing arsenic and sulfur gases into the atmosphere and stripping the hillsides of vegetation. BIOX locks up these harmful elements in a stable form and deposits them..

BIOX was developed by the South African company Gencor and was sold under license to AGC in 1992. "You can imagine talking to a team of bankers about lending $135 million for a plant dependent on bugs," says Tony Cox, strategic planning general manager at Obuasi mine of Ashanti Goldfields.

The process is more expensive – $17 a ton, against roasting's $12 a ton – but it recoups $15 a ton by producing purer gold. "We don't just do it to be environmentally friendly," says Mr. Cox.

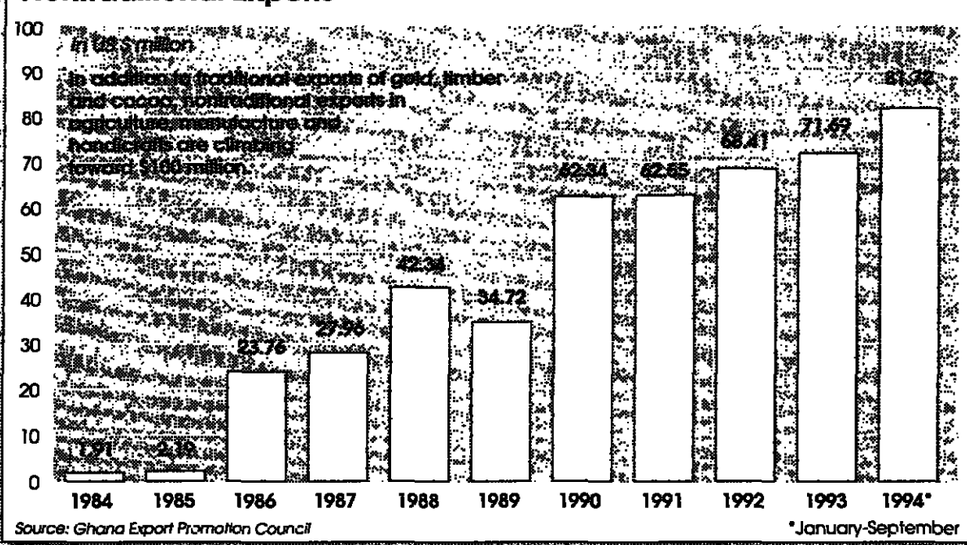
Mr. Jonah has warned that "there must be a limit to what Obuasi itself can do." In February, he announced plans for a subsidiary in Mali, where deposits could be on the same scale as Ghana's. AGC already has offices in Eritrea and Ethiopia, a feasibility study is under way in Uzbekistan, and the company is prospecting in Namibia, Senegal, Mozambique and Guinea. Ashanti Goldfields is well on the road to international mining house status.

Meanwhile, Ghana itself is the object of lively interest from Canadian, American, British and Australian companies. And since the demise of apartheid, three South African mining houses – Anglo, JCI and Gencor – have acquired mines or are deep into prospecting. De Beers will decide in August whether to operate the state-run Birim Valley diamond mine.

The future looks bright, says the Mines and Energy Minister Kwame Pepprah, who doubles as the AGC chairman. "Mining is the one sector that has consistently outperformed the rest of the economy – it is the magnet around which a lot of things happen, and I'm thinking in particular of foreign exchange and employment generation," says Mr. Pepprah. **D.H.**

GHANA

Nontraditional Exports



Source: Ghana Export Promotion Council

*January-September

NONTRADITIONAL EXPORTS GAIN GROUND

The Export Promotion Council has a success story to tell in promoting agriculture, manufacture and handicrafts.

Gold, slaves, rubber, palm oil, cocoa and timber were the "raw materials" shipped to the West from Ghana over a period of 500 years, without much benefit to Ghana. Planners have long realized that the volume of these "traditional exports" cannot be expanded indefinitely.

Cocoa production is limited by the forest; timber, by the conservation lobby. Even gold reserves are finite. Today, this trinity still accounts for over 80 percent of export earnings, and Ghana is attempting to do more processing, to ensure that value is added to raw materials inside the country and not in a faraway factory in Europe.

"We want to sell and not have to buy all the time," says Trade Minister Emma Mitchell. "We don't want to be seen just as traders. We have the ability to become a manufacturing nation."

After the economy hit rock bottom in 1982, it was decided that recovery, to be successful, would have to be export-led. The Export Promotion Council, which had existed ineffectively for many years, now concentrated on three sectors of processed and semiprocessed "nontraditional exports" – agriculture, manufacture and handicrafts.

Gaps in the market

The figures are modest, but this effort has been a quiet success story. From under $2 million in 1984, exports have climbed toward $100 million in 1994. It is a matter of finding a gap in the European or West African market and going after it aggressively. Highlights in 1993 included: pineapples, $5 million; fish products, $14.5 million; builders' woodwork, $11.4 million; shea nuts, $342,000; aluminum sheets, coils and plates, $3.5 million; basketware, $235,000 (mostly to Germany); cocoa products and sweets, a disappointing $8,000 ($20,000 the previous year).

The Export Promotion Council looks for exportable products and locates markets for them. There are eight production villages in Bolgatanga in the Upper East region where farmers or artisans work on fish products, canoes, cashew nuts and baskets. A kente cloth village is planned near Kumasi. The products reflect Ghana's strengths – agriculture, fisheries and forestry. As Minister of Agriculture Ibrahim Adam says, "Agriculture will be, for a long time, a very important feature of our national recovery program."

Handicrafts are a small part of the export story, but Aburi Industrial Center shows how, with UNDP funds and state encouragement, markets can be found. Before 1989, carvers were scattered in the towns and villages on the hill, an hour's drive from Accra. Now, 150 carvers work in 43 kiosks lining the main road, each with a set of apprentices who may one day become members themselves. There is a social purpose too, in giving local youth, among whom are two girl apprentices, a reason not to migrate to the cities. The craftspeople can get together to service a large order from Accra dealers or the American market.

Nii Amartey, the most successful member of the Aburi cooperative, turned over $15,000 last year, including orders from MorAfrica Ltd. for masks, figures and decorative pieces for shops in California. Most of the men have improved their earnings, helped by a benign landlord who asks for no more than a sheep and a bottle of schnapps as annual rent.

Budding capitalists might be helped in acquiring business skills by the government's Private Enterprise Export Development project, while the World Bank-financed Agricultural Diversification Program assists those in horticulture and non-cocoa tree crops.

The government offers generous incentives to exporters. Where a large capital outlay is required, joint ventures with foreign companies seem the best road to take. (A Ghanaian without access to hard currency would have to borrow cedis at 39 percent.)

Plans to set up Export Processing Zones in the ports of Tema and Takoradi are expected to materialize this year. These EPZs have had mixed success elsewhere in Africa and South America, but Tawia Akyea is confident of attracting European industrialists and bankers.

"We will provide the legal framework for private business to run it rather than the government," he says. "We will give away our customs revenue, but will benefit from training, wages, technology transfer and service contracts."

Tuna production

This might just lead to the local manufacture of costly imports like insecticides and spraying machines. Ghana could also become a point of access for the region, with, for example, storage and distribution facilities for rice imported from Thailand.

For many years, popular tuna flakes and chunks had to be imported, but recently they have been processed in Tema at a plant rehabilitated by a Puerto Rican fish company, Starkist, at a cost of $8 million. This means jobs for Ghanaians and tuna for both local consumption and export – a dual benefit of import substitution and export possibilities.

On the other hand, confusion reigns over a promising banana export scheme to Spain and France. The Dutch plantation owner was led to believe that the European Union would grant a 10,000 ton banana quota. But the recommendation by the ACP Council of Ministers was not confirmed by Brussels, and he faces ruinous tariffs.

Ghana's trade deficit stood at $400 million last year, which is $274 million better than 1993. To sustain this improvement, it must attract the sort of investors who have confidence that this is one West African country that can both manufacture and sell.

D.H.

GOVERNMENT INCENTIVES

The following are incentives that the government offers to exporters.

- Export Retention allows exporters to exchange 100 percent of foreign exchange earnings from nontraditional exports into cedis at competitive rates.
- Corporate tax rebate: Individuals or companies engaged in agricultural production and exporting some or all of production can claim 45 percent to 75 percent of tax liability back.
- Customs duty drawback allows exporters to draw back up to 100 percent of duties paid on material imported to produce goods for export.
- Bonded warehousing: A customs license is available to manufacturers for storing imported raw materials for use in exports, without paying duty.

GHANA

CAPITAL IS NEEDED TO KEEP FORESTS AS A CONTINUING ASSET

Kiln drying provides the means of reducing the amount of raw timber being exported from Ghana and of adding value to logs.

Ghanaians say that gold, cocoa and timber are the Big Three of the economy (with tourism coming up fast). Timber is demanding increased attention these days. Ghanaians have taken on board the lesson of Brazil's disappearing forests. Now the talk is of "downstream processing," "value addition," "enhanced recovery rate" and "efficient utilization of installed capacity."

Ghana has been exporting timber for over 100 years. Today it has only 1 percent of the world's tropical timber market, but 60 percent of production is sold abroad, yielding $230 million in 1994. The industry supports 250,000 people, with perhaps six times that figure when families are taken into account. With its 55 sawmills, the economy of the second city, Kumasi, depends heavily on timber, as does the port of Takoradi, through which it is shipped.

Forest Reserves, which are vested in the state, make up 20 percent of Ghana's land surface. A further substantial area of forest is privately owned. There are 680 separate tree species, though only 70 are being commercially exploited for local and foreign sales. The most sought-after, *wawa* (soft wood used in form work) and *iroko* (a hardwood for windows and doors), account for 40 percent of exports.

Colonial inheritance

Sam Appiah, managing director of the Timber Export Development Board, says a history of good management was inherited from the colonial era, but in the early 1980s, exports fell disastrously. "The general economic climate was so bad and the cedi so overvalued that it was no longer profitable to export," he says. "So we sold to the local market, and there was no money for the industry to re-equip." Now, with the currency realistically priced, money is coming in from exports and international aid, and forest management is being modernized.

The main thrust of timber policy is to reduce as quickly as possible the amount of raw timber (round logs) being exported. Nineteen of the key commercial species are on the banned list. The ultimate intention, says Mr. Appiah, is to export only processed timber – not just sawn logs – in the form of furniture components, joinery, doors and moldings for Europe's homes and offices. The equation "less volume equals more value" is a dramatic one. Sawn timber fetches more than double the price of logs on foreign markets.

For the moment, there will be no outright ban on round logs because the World Bank has asked Ghana not to impose one. The biggest customers are China and Korea, which last year bought up 80 percent of Ghana's raw exports, following round log bans in their traditional suppliers, Indonesia and Malaysia. But Ghana is expected to soon introduce a graduated system of levies, ranging from 10 percent to 30 percent, on round logs, which could include the *kyenkyen, ceiba* and *yaya* used in the east for transformation into plywood.

World Bank funding

The key to the new policy is kiln drying. Sawn wood takes seven to eight months to dry under natural conditions. Dried in a kiln, the time is reduced to four days, or a fortnight for thick wood. Transformation from raw to sawn timber is the most important value-adding stage. No other transformation offers such instant profit.

A kiln imported from Germany or Italy costs $100,000, and some mills need four of them. Few local businesses can lay their hands on that amount of foreign currency. The problem is being overcome by a consortium funded by the World Bank, which has helped the top 30 sawmills, accounting for 80 percent of earnings, to acquire kilns.

The bank has also paid a Norwegian consultant to advise on the installation of the kilns and training in the new technology. And a wood industries training center will open at Akyawkrom near Kumasi in June.

The intention is to export only processed timber, as furniture components, joinery, doors and moldings

The export of kiln-dried lumber has risen from 14,000 cubic meters in 1991 (when separate figures were first available) to 60,000 cubic meters last year. The rise will be at least as steep in the coming years. Mr. Appiah says: "Last year we made $200 million from timber. If we export kiln-dried, planed wood, that could be $400 million. So in the next five years, we average, by conservative estimates, $320 million."

There could be hiccups, even if things go according to plan. The population is growing at 3 percent, and if the economy picks up, domestic demand for timber will soon rise above its current 40 percent (137,000 cubic meters, compared with 200,000 cubic meters exported). That could disturb the policy of permitting no more than one-fortieth of the forest to be logged each year, allowing time for tree regeneration.

Poaching declines

Forest management is becoming tougher and more professional. Ghana imposes a number of levies intended for a reforestation fund, and it is creating new timber plantations, though not as quickly as it would like.

The end of illegal logging may be near, with many former timber poachers now joining the respectable Chain Saw Operators Association or the National Timber Task Force. Those who have not registered face the consequences of a decree that permits confiscation of vehicles, trees and equipment.

The industry magazine, *Ghana Gazette*, points out that illegal logging "can upset careful forest management plans meant to ensure a sustained supply of particular species of timber."

Meanwhile, a glimpse of what the future could look like was seen outside Takoradi last July when a million-dollar sawmill geared for the Japanese market opened.

The mill is the biggest in the world for tropical timber and is designed to cut timber to the specifications of the Japanese market.

The mill's owner, Peter Donkoh, helped by the African Development Bank, has equipped the mill with Japanese machinery. The utilization of logs will be so economical that only the bark will remain unprocessed. Mr. Donkoh says that he might send it to his father for "medicinal purposes."

With more factories like that, no one will doubt that forestry is worthy of its place in the Big Three.

D.H.

TELECOMS

MOBILE TELEPHONES POINT THE WAY TO THE FUTURE

Competition and preparations for privatization lead to wider choice.

Such is the competition for opening up the telecommunications potential of Ghana that there may soon be an embarrassment of choices, instead of the shortage of telephone lines that has plagued the country in the past.

Millicom (Ghana), a subsidiary of Millicom International Communications of Luxembourg, has been the leader in establishing a working mobile communications service, known as Mobitel.

With investment of $5 million since 1992, Mobitel has 3,000 subscribers in the Accra/Tema area and plans to extend coverage to most of the rest of the country, using a satellite system.

In recent months, a number of would-be competitors have announced plans to enter the mobile communications fray and have acquired the necessary permission from the Posts and Telecommunications Corporation for interconnections, using various state-of-the-art types of technology.

Meanwhile the PTC itself – in conjunction with Motorola of the United States – is introducing a "fixed cellular" network of its own for around 300 subscribers in remote areas where no telephone system exists.

Expansion of other parts of PTC's telephone network is continuing with help from Japanese and French development agencies. It is the government's target to increase the number of telephone lines from 48,500 to 80,000 by the end of 1995.

More substantial development of Ghana's telecommunications potential is sure to follow before the end of the decade.

The immediate challenge for the PTC is to prepare for privatization. This route forward has been approved by the government in the hope that it will open the door to more substantial investments running in parallel with the overall expansion and growth of the Ghanaian economy.

R.S.

PORTS


ROBERT BAILEY

TEMA'S AMBITION: TO SERVE REGION

Among shipping companies familiar with the West African trade, Tema port has a reputation for efficient cargo handling, good security and quick turnaround times.

Having recently been modernized and refurbished, the port is now looking to a future as one of the focal points for shipping in the West African subregion.

"We are being proactive," says Captain A.R. Cudjoe, Ghana Ports and Harbors Authority public affairs manager. "Our biggest potential is to serve the landlocked countries of the Sahel. We are studying the changes taking place in ship design, and we want to create deeper berths for third-generation vessels."

Further modernization is planned for both Tema, which serves the eastern half of Ghana, and Takoradi, the country's main outlet for minerals, cocoa and timber.

A 15-year master plan is being prepared with the help of the European Union that includes the construction of new quays, stacking areas and sheds.

Tema currently handles over 4 million metric tons of goods, mainly imports, each year, but it has the potential to triple its capacity in the coming years.

R.S.

GHANA

COCOA CONTINUES TO PLAY LEADING ECONOMIC ROLE

Comprehensive reorganization places the farmer above the bureaucrat.

The Aztecs and Mayans of pre-Columbian America valued cocoa so highly that, apart from eating and drinking it, they used it as a medium of exchange. In modern Ghana, it is pictured on the currency and, more important, a healthy cocoa market is viewed as vital to the resurgence of the economy.

Cocoa is the one product specifically excluded from the portfolio of the minister of agriculture. It is managed by the Cocoa Policy Unit, located inside the Castle in Accra, near the president's office. The man in charge, K. J. Adjei-Maafo, known as the "cocoa minister," says that although it has been overtaken by gold as the main earner of foreign exchange, cocoa is as important as ever.

"The strategic role of cocoa is not just what it earns for the country, but the huge social impact it has," he says. "Gold provides work and support for fewer than half a million people, but with 1.6 million cocoa smallholders and at least four times as many family members, you see that half our population depends directly on a healthy industry."

Cocoa is unique in that almost the total production leaves the country, accounting for 40 percent of export earnings. It contributes only 14 percent to agricultural GDP, far behind the 55 percent of the cassava, yams, plantains and cocoyams that feed the nation.

Former glory days

The industry is today in the throes of the most comprehensive refit since the bean was first exported from Ghana 80 years ago. If it works, cocoa will be one of the engines of economic recovery.

The glory days came after independence when, in one year, almost 400,000 tons were loaded at Takoradi for export. By 1979, however, Ghana had lost its lead in the world export table to its neighbor, the Ivory Coast. Indonesia has since bested Ghana in production and expertise. In 1984, exports hit a rock bottom 159,000 tons, though much may have been smuggled out to avoid the risible official price to the producer. The fall in production was also accelerated by aging trees and tree disease.

Liberalization of the cocoa business has placed farmers center stage. Once they were viewed as no more than "tree-minders." Today they can play a larger role in improving their lot. They now receive 60 percent of the market price, compared with 30 percent in the 1980s.

This shift in the balance of cash payments has been made possible by a reduction in bureaucracy. Tens of thousands of "not on-farm" officials have been laid off, and the restructuring is not yet over. The Cocoa Marketing Board has loosened its iron grip to allow private entrepreneurs to enter the market. Half a dozen licensed agencies now buy cocoa direct from the farmers.

International help

At the same time, the lifting of import and exchange controls provides the macroeconomic environment for a resurgence of the industry. The cocoa sector has received an estimated $200 million in World Bank-related soft loans, among which is a European Community scheme for smallholding rehabilitation.

The Kuapa Kokoo Union differs from the other buying agencies in being owned by the farmers. It is small, with fewer than 4,000 members in 50 villages, but now, for the first time, farmers feel they have some control over their lives. They can actually see the end product of their labors: Pinned on the bulletin board at Kuapa head office in Kumasi are wrappings of El Arco Swiss chocolate, made from their own beans. The all-important links are the Netherlands Development Organization and a British fair-trade body, TWIN, which provided funds and technical assistance.

In the old days, complaints of irregularities were endemic, from inaccurate scales to clerks demanding perks. Before its launch in 1993, TWIN offered scales to each village. Pauline Tiffen, the director of TWIN, recalls asking a farmer in a remote village why he had chosen to join Kuapa. "We took the same sack of beans to all the buying agents," he replied, "and yours was the only one that weighed correctly."

Kofi Taylor is recorder of Kokooso, one of Kuapa's village societies in the Brong Ahafo region. These days it is he, and not a government official, who pays the farmers for the beans delivered to the village shed for weighing and bagging. "We are making more money now," says Mr. Taylor. "We might use it for village roads, perhaps to buy a car. We need a tractor to move cocoa from remote areas."

Quality control

This optimism has yet to be translated into substantial material gains. For one thing, the improved consumer price is nullified by inflation. These smallholders yearn, like all the country's farmers, for the basics of a good life: clean water, electricity, waterborne sewerage, medical care and accessible schools.

The buying agencies want liberalization to be taken a step or two further, so they can sell cocoa on the open market and not exclusively to the Cocoa Board or at the board's fixed price. But it will take time, warns Mr. Adjei-Maafo. "The multi-buying system is causing quality-control problems in post-harvest fermentation and drying, and the handling of the dried beans. We need to consolidate." The state's Quality Control Division remains as uncompromising as ever in maintaining standards.

Ghana wants to increase cocoa earnings while reducing total area under cultivation by a further 100,000 hectares, to 850,000 hectares, by the century's end.

The earnings increase will have to come from better-quality trees, training for farmers, research, fertilizers, thrice-yearly tree spraying – from an increase in volume per hectare rather than an increase in hectares.

Cocoa is grown in forest areas, not on the savannah. The cocoa-forest equation is these days settled in environmental terms. Mr. Adjei-Maafo talks of production rising to the 800-1,000 kilograms per hectare now achieved in Indonesia. Yet Ghana's higher-yielding hybrid trees, first planted in the 1970s, still only produce 450 kilograms per hectare.

Primary producers complain that however hard they try to raise production, improve quality and reduce costs, European buyers have an unfair advantage over them. The average world price for cocoa beans in the 1980s was £1,310 a ton ($2,070, but cocoa is traded in sterling), against £4,210 for chocolate. These days, says Mr. Adjei-Maafo, the difference is closer to £900 against £5,000. "Our earnings are in no way commensurate with the cost of Western inputs, which go up in price whatever the state of the world economy," he says. "The cocoa price is declining in real terms."

Chocolate prizes

More spraying would require yet more imported insecticides and machines, inputs that eat heavily into costs. Mr. Adjei-Maafo says, "We are always inviting people to come here and make things like chocolates. It is generally recognized that our cocoa is of the highest quality." Yet European chocolate makers have so far preferred to stay at home. Ghanaian-made chocolates have won prizes in a New York industry competition, due largely to its quality cocoa butter.

Now the West African Milling Company has entered into a joint venture with a German firm to make cocoa mass in Takoradi.

In the meantime, Ghana's production is rising – 245,000 tons this year, a projected 270,000 tons next year and an eventual optimum of 300,000 tons. The test is whether Ghana can match the fierce tigers of East Asia in cheapness and efficiency of production. Ghanaians are confident that the bean will bounce back again.

D.H.

ANNA TULLY

ANNA TULLY

ANNA TULLY

The cocoa story: pods from the trees (right) are dried and placed in sacks (below) before being carted to foreign chocolate manufacturers (above).

EDUCATION

SCHOOLING IS A RIGHT FOR ALL

More trained teachers accelerate planned increase in school enrollment.

Plans to introduce free compulsory universal basic education by 2005 are on course, says Education Minister Harry Sawyer. The root and branch reforms, begun in 1987, have already changed the emphasis from the English grammar-school tradition to a system that encourages vocational and technical training.

Presently, children have six years in primary school and three years in junior secondary, with the option of a further three years at senior secondary school.

The reforms are intended to offer children more outlets for their skills, while at the same time enhancing the country's economic performance. A recent ministry publication, "Basic Education – A Right," says that "accelerated economic growth should be supported by an educated population which is capable of participating actively in and also benefiting from the process of growth."

At the moment, "Ghana has a lower basic education enrollment and literacy rate than the Asian countries had *when their economic growth began to accelerate.*"

The report adds, however, that Ghana's secondary school enrollment level of 39 percent compares favorably with the Far Eastern nations. Enrollment is increasing at all levels.

Ghana has received $400 million in credits or grants from the World Bank and other international donors since 1987. This year, "pavilion classrooms" are to be built for 2,000 "deprived" schools across the country. These will be skeletal structures, and local communities are being asked to build walls around to make them habitable.

"Will will build bungalows to make rural schools more attractive to teachers," says Mr. Sawyer, "and there will be incentives like bicycles or motorbikes."

The proportion of trained teachers in basic schools increased from 50 percent in 1986 to 73 percent in 1992, and the figure improves by the year. But many children are still taught by unqualified "pupil teachers." Mr. Sawyer expects 7,000 new teachers to qualify this year, so that the pupil teachers they replace can be offered a place at college. He intends to "wipe out" the pupil teacher factor in five years.

Other objectives include the equal enrollment of girls, a library for each basic school by the year 2000, and the provision of one textbook in each subject per pupil within three years – the most recent figure is one textbook shared by two pupils. The leap in enrollment is expected to push up primary school pupil/teacher ratios from 27 to 35, and from 17 to 30 in junior secondary schools.

Formal education in Ghana began with the Castle Schools of the early slave days. It was later encouraged by the British, but within a limited social range. Attempts since independence to extend the system throughout the population have suffered from a lack of funds or political upheaval. But the thirst for more and better schooling remains as strong as ever.

The success of Ghana's lawyers, doctors, international civil servants and technicians across the world is a testimony to that tradition. Mr. Sawyer makes a prediction: "The time will come when they will be fighting for jobs here."

D.H.

SPONSORED SECTION

GHANA

CASTLES, FORESTS AND FESTIVALS ATTRACT TOURISTS

Ghana plans to offer more than sunny beaches.

Tourism has quietly overtaken timber to become Ghana's number-three earner of foreign exchange, and it is creeping up on gold and cocoa, too. "We are offering that part of Africa that has yet to be explored," says the tourist board's Edmund Ofusu-Yeboah. By this he means that Ghana is not just offering the beach tourism of its neighbors along the coast, nor the wildlife of East and Southern Africa, nor the easy European access to the African Mediterranean, but also "high quality tourism."

Of the 205,000 foreigners who spent $235 million in Ghana last year, half were on business and half were on holiday. Mr. Ofusu-Yeboah expects tourism to be the leading industry early in the next century. "We have come in the space of 10 years from near obscurity into the limelight," he says.

Ghana is conscious of the negative impact tourism can have. "We don't want mass tourism, where other people dictate to us," says Mr. Ofusu-Yeboah. "We will not allow a string of beach hotels in colony form, where tourists impose their culture on the local people, leading to prostitution and other evils. We want to keep it at a human level."

Impact on inhabitants

Visitors to Ghana will, of course, want to enjoy the miles of sand, sun and surf, but there are also castles, forests and festivals for those who tire of being beach lizards. The country is especially proud of the Kakum forest reserve, where conservation, tied in with low-scale tourism, has been made possible with the help of UNDP, USAID, the Smithsonian Institution and Shell.

Projects in the rural areas are usually preceded by a study of the impact on the locals. At Kakum, onetime loggers have been retrained as guardians of this irreplaceable heritage. The visitor walks a trail through the moist tropical forest, which a few years back was in danger of being cut down. Our guide, Kwame, talked of the forest as "nature's supermarket," with its variety of trees – Ghana has 360 species – and the medical, household and building needs they fulfill.

Kakum is home to genet and civet, colobus and guenon monkeys, duiker, pangolin and 150 plus elephants, but they are not highly visible on the forest walk. Beginning this month, however, a Tarzan-style rope walk through the forest canopy will offer overhead views of the unsuspecting animals below.

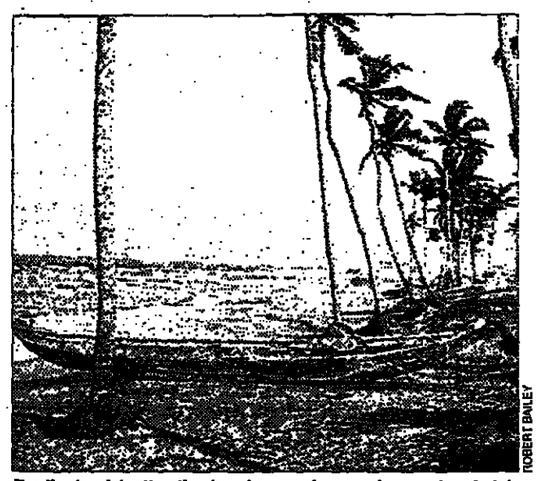
Slave-trade memories

Ghana's castles are its greatest tourist magnet. Most notable is St. George's Elmina, where, over three and a half centuries, millions of people were stuffed into dungeons to await shipment to the New World. Small wonder that a large part of Ghana's 20,000 American visitors are African-Americans whose ancestors' traumatic rupture with Africa was finalized at the small exit leading through the walls of the fort to a slave schooner.

Elmina holds lessons for all, however. Europeans made it all possible, and there is much scope for thoughtful reflection as you look across the ramparts at the fishermen maneuvering their canoes through the breakers. The Portuguese, who built Elmina in 1482, placed their church directly over the slave auction hall. At the British fort 10 miles to the east at Cape Coast, the Anglican church was built directly on top of the dungeons with their open drains.

Some 300,000 people are directly and indirectly employed in the tourist industry

Rather more joyous are the festivals. Virtually every district has one marking the harvest, thanksgiving or victory in war. On show is the best of Ghanaian dancing, music (wonderful drummers, and they never stop) and exquisite Kente cloth. Some visitors may be lucky enough to dine on chicken and groundnut stew.



ROBERT BAILEY

For the tourist, attractive beaches, ancient castles, modern hotels and reminders of Ghana's proud history in leading colonial Africa to independence in 1957.

This year, there will be celebrations in the second city of Kumasi, home of the palace of the Ashanti king, the Asantahene, who was crowned before his "Golden Stool" 25 years ago. Last December, Panafest, a 10-day celebration of African culture, attracted artists and audiences from around the world. The next Panafest, in December 1996, threatens to become the major festival of its kind in West Africa, if not on the entire continent.

Crocodile pond

There are other attractions away from Accra and the castles – the Volta dam overlooked by the modern village of Akosombo; the Ashanti world of goldsmiths, Kente cloth and the gold mine at Obuasi; the 17th-century Larabanga mosque and the Mole National Park in the Northern Region; and Bolgatanga, which offers a catering rest house and the Paga crocodile pond near the Burkina Faso border. The trains, which are being revamped, run from the coast to Kumasi. Clearance at Accra's Kotoka airport is quick, pleasant and hassle-free, though visitors must insist that one porter is enough.

ANNA TULLY

Lufthansa is back in Ghana, joining British Airways, Alitalia, Swissair, KLM and Ghana Airways out of Europe. Ghana Airways flies direct to New York, a service that will be backed up by tourist consulates in 13 American cities, some of which are already open. The dry season (October to March) and post-rains August are good getaway times for northerners.

Five-star hotels

Hotels are springing up like mushrooms. The Labadi Beach on Accra's loveliest stretch of sand is the country's first five-star, while two more are under construction. Novotel, Golden Tulip and Shangri-La provide international-standard accommodation in the capital, and Kumasi has the Georgia. The International Conference Center hosted 64 conferences last year and more of these centers are under construction.

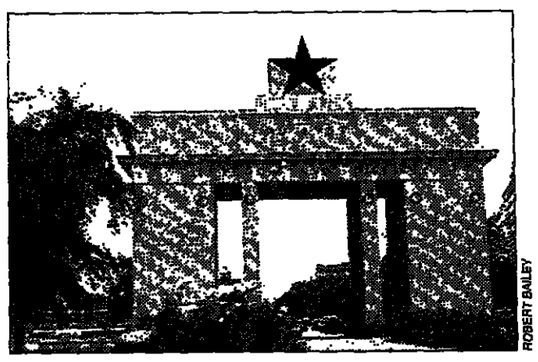
While Mr. Ofosu-Yeboah admits that Ghana is looking for quality tourists, there are still more modest hotels for the tourist on a budget. Condor, a Lufthansa subsidiary that flew packages into Togo, has been talking to the authorities about doing the same in Ghana. Indeed, Germans will soon overtake the British as the largest tourist group visiting the country.

There is still much to be done, but things are happening surprisingly quickly. The "Medium Term National Tourism Development Plan 1993-95" is producing far-reaching infrastructural changes. Some 300,000 people are directly and indirectly employed in the industry. In 1985, earnings did reach $20 million; this year, they could be closer to $250 million.

Ghana is neither Biarritz nor Benidorm, but a friendly West African country with a thousand-year story that it hopes to share with the intelligent and adventurous traveler.

D.H.

ROBERT BAILEY



ROBERT BAILEY

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MUTUAL FUNDS

Close of trading Friday, March 3.

[illegible]

NASDAQ NATIONAL MARKET

Consolidated trading for week ended Friday, March 3.

A

Stocks	Div	Yld	Sales 100s	High	Low	Cse	Chge
APeoPod		—	1571	4	2¾	4	+⅜
A Plus		—	1106	14	12¾	13⅝	—⅝
AAON		...	1848	12⅝	11⅝	12¼	+¼
ABC Bcp	.38	3.0	42	13¼	12½	12⅝	—1
ABC Rail		—	2161	23	21⅞	22⅞	+⅜
ABR Info			264	22¾	21½	22½	+¾
ABS	.20	1.7	76	12⅛	11½	11¾	—⅛
ABT Bld		—	327	15½	14⅝	15	—¼
ACC Co	12	7	1673	17½	15¾	16½	—½
ACS Enf		—	1999	12	11	11⅝	—
ACX Tc		—	1128	39½	38¼	39¾	+⅞
ADCTel s		—	32280	31⅝	25½	30	+4¾
ADESA		—	363	16⅝	16¼	16⅞	+⅞
ADFlex		—	1292	19¼	18¼	18½	—⅜
AEL		—	1773	19½	15	17⅞	+2⅞
AEP Ind	.08	.4	206	19	17¾	18¾	—¼
AEP En		—	2660	5⅝	4⅝	5⅛	+⅜
AES Chn		—	2593	9⅛	8⅞	8⅞	—⅛
AES Cp		—	6201	19	17	18¾	+1¼
AFC Cbl		—	2023	15⅝	14¾	15	+⅛
AK Steel		—	11754	26¼	25	25⅛	—⅞
AK Stl pf	2.15	7.9	2401	27⅝	27¼	27¼	—⅝
ANB	.84	3.4	271	25	24¼	25	—
APS Hld		—	3419	29½	28	29	+1½
ARI Net		—	138	2¾	2½	2¾	—
AST		—	80860	16⅞	14	15¾	+1⅛
ATS Med		—	5633	5	4½	4⅞	+⅛
AW A		—	301	2	1⅝	1⅝	—⅜
Aames	.30	2.6	1944	12	11½	11⅝	—½
AamRt B	.10	.7	1024	14¾	13½	13¾	—¼
AaronRt	.04	.3	154	14¾	13½	14¾	+¾
AascheT		—	496	8⅜	7¾	8	—⅜
Abaxis		—	1620	4⅞	3⅝	4⅝	+⅞
AbbeyH		—	74098	37¼	27¾	35	+7
AbingSB	.40	2.8	85	14½	13¾	14½	—
Abiomd		—	235	8⅜	7¼	7¼	—1
AbleTel		—	2778	5 5/16	4⅝	5	—¼
Abrams	.12	2.7	80	4⅞	4	4⅜	—⅜
Abraxas		—	51	9⅝	9½	9⅝	—⅛
Accel		—	364	2⅝	2½	2½	—⅛
AcesHlt		—	408	16	15⅝	15⅝	—⅜
AccesH n		—	2527	9⅝	8¼	8½	—⅛
Acclaim		—	60910	15⅝	13⅜	15½	
AccuStf		—	469	17⅜	16⅝	17⅛	—⅝
AceCsh		—	58	8½	7¾	8	—⅛
Aceto	.36	2.3	188	15¾	15	15½	—¼
ACMT		—	11	13½	13⅜	13½	
ACMT A		—	263	9⅞	9½	9⅞	+⅛
AcmeMet		—	2785	15⅝	14½	15⅝	—⅛
Actel		—	48234	13½	10½	13⅝	+2⅝
ActPerf		—	9043	7¼	5¾	7	+1
ActPr wt		—	2529	1 5/16	⅜	1 3/16	+⅝
ActVoic		—	710	24⅝	23¼	23¾	+⅜
Activisn		—	7994	7¼	5⅝	7	+½
Acxiom s		—	1747	15⅝	15	15½	+⅛
AdacLb	.48	6.1	1459	8¼	7⅞	7⅞	—⅛
Adage		—	169	5⅜	5⅝	5⅝	+⅜
Adaptec		—	44528	34½	29⅞	34	+3⅝

Stocks	Div	Yld	Sales 100s	High	Low	Cse	Chge
AscdGoB		—	634	19¼	19	19	—⅛
Astec		—	1800	13⅞	12⅝	12⅝	—1⅜
AstoriaF		...	3245	31¼	30½	31¼	+⅛
AstroM	.12	1.0	180	12⅜	11¾	12	—
Astron		—	106	2⅝	2⅝	2⅝	—
Astrosy		—	22	4¼	4	4¼	+⅛
Astrum		—	321	24½	23⅝	23⅞	—⅜
AsystTch		—	8292	38¾	33¼	37½	+4½
AtchCst		—	713	15½	14⅜	15¼	+⅛
Athena		—	4019	9	7⅞	8⅜	—⅛
Athey	.37t	—	89	5 9/16	5⅛	5½	—½
Atkinsn		—	432	10½	9¼	10	—
AtlanFed	.36	1.9	25	18½	17¾	18½	+2
AtlAm		—	458	2 7/16	2⅛	2¼	—¼
AtlBev		—	102	3¼	2⅝	3⅛	+⅜
AtlCstAir		—	334	3⅛	2¾	3⅛	+⅛
AtlGulf		—	902	9	8½	8½	—½
AtlSeAir	.34	1.8	5581	20⅜	18⅜	19⅛	—1⅛
AtlTele		—	551	9	8⅜	8⅜	—¼
Atmel s		—	65920	35⅝	29¼	35⅝	+2⅝
AtrioSft		—	3637	47⅛	38¾	42	+1⅛
Atrix		—	1506	6½	5⅝	6⅛	+¾
AtwdOc		—	293	13⅝	11½	12½	+1
AuBon		—	10269	15⅜	14½	15⅛	+⅝
AuraSy		—	10577	3⅝	3¼	3⅜	—⅛
Auspex		—	15314	10⅛	9⅛	9⅝	+⅛
Autoinf		—	1341	3⅝	3⅛	3⅜	—⅛
Autocam	.55t	—	64	11¾	11¼	11¼	—⅜
Autoclv	.24	2.7	37	9⅛	8⅝	8¾	—⅜
Autodk s	.24	.6	34835	40⅝	38	39 11/16	+1 11/16
AutoGp		—	1629	9	8¼	8⅝	—⅛
Autoimu		—	5844	6¼	5⅝	6⅛	+⅜
Autoind		—	4967	20	18	18	—2
Autotote		—	5467	6⅛	5⅝	6	—⅛
Avatar		—	99	37¼	36¼	36¼	—¼
Avecor		—	1574	13½	10⅝	12⅛	+1½
Avert		—	345	5⅜	5½	5⅝	—⅛
AvidTch		—	21088	33½	29⅞	31	—⅛
Avndle		—	191	7¾	7⅝	7½	—⅛
AztecM	.02e	.5	186	4½	4⅛	4⅜	—

B

Stocks	Div	Yld	Sales 100s	High	Low	Cse	Chge
BCB Fin	.08r	.7	4	10⅝	10¼	10⅝	—½
BCT Intl		—	1072	5⅝	4⅞	5⅝	—
BE Aero		—	3096	5⅝	5¼	5½	—
BEI El	.08	1.5	268	5⅝	5½	5⅝	+⅛
BF Ent		—	12	4⅝	4¼	4⅝	—
BFS NY		—	33	23½	23	23	—2
BGS	1.00a	3.7	209	27½	26⅝	27¼	+⅜
BHA	.12	1.0	20	13½	12¼	12¼	—⅞
BHC Fncl	.08a	.6	290	14	13⅜	13⅝	+⅛
BI Inc		—	1169	6	5½	5⅝	—
BISYS		—	3732	19⅞	17⅜	17⅞	—⅞
BMC Sft		—	23524	67¼	62⅝	64⅝	—1½
BMC Wt s		—	2427	13½	13	13⅝	+⅛
BMJ	.20	1.6	184	13½	12¾	12¾	—⅛
BNH		—	1533	1½	1⅜	1½	—
BPI Pkg		—	2571	4⅞	3⅝	4⅝	+¾
BPI wt96		—	400	9/16	⅜	9/16	+3/16
BSB Bcp	.88	3.2	155	28	27	27⅞	+⅜
BT Fin	1.20b	4.3	85	28	26½	28	+½
BT Shp		—	2320	2⅞	2⅛	2⅝	+⅜
BTG Inc		—	435	7½	7	7	—⅜
BTU Intl		—	676	4½	4½	4½	—⅞
BUM Intl		—	379	6⅞	6½	6½	—¼
BWIP	.40	2.5	2069	16½	15½	16	—
BabySat s		—	6846	43½	37¼	39½	—3⅝
Bochinf		—	1911	4⅝	4⅛	4⅝	—⅛

C

Stocks	Div	Yld	Sales 100s	High	Low	Cse	Chge
CosMagic		—	31177	6¾	5	6⅞	+1⅞
CosRS wt		—	168	⅝	⅜	⅝	—⅛
CosnRsc		...	558	2⅞	2¼	2¾	+⅛
CastleEn		—	691	10½	9⅞	10⅛	+⅛
CatalSem		—	2576	3⅝	3¼	3⅜	—⅛
Catalyt		—	2097	3⅝	2¾	3⅝	+⅜
CathBcp	.60	4.3	96	14	12¾	14	+1
CathStr		—	1106	8⅝	8	8⅝	—⅛
CatoCp	.16	2.5	7298	7¼	6½	6½	—⅜
CedarGp		—	4954	5⅝	4⅞	5⅝	+⅛
CelSci		—	15384	[illegible]	[illegible]	[illegible]	[illegible]
CelSc wt		—	300	¼	¼	¼	[illegible]
Celadon		—	3175	15½	14¼	14¼	—1¼
Celebinc		—	237	6⅝	6⅛	6¼	
Celestial		—	6098	19½	16½	19¼	+2⅝
Celex s		—	1553	9⅝	8½	8½	—1⅛
Celgene		—	1990	5⅝	4⅝	5⅛	—⅛
CellGens		—	753	6½	6	6½	+½
CellPro		—	2562	12¼	10½	11	—1⅛
Cellcor		—	1217	4¼	2⅝	3⅝	—⅜
Cellstar		—	11021	23⅞	21⅛	21⅛	—2⅛
CelCmA		—	2894	50⅝	49¼	50	—⅛
Cell Intl s		—	1541	42⅜	41¼	41⅜	+¼
CelCmPR		—	2553	35¼	33	33⅝	—⅜
CellrTch		—	11602	18½	16	18½	+1⅜
Celtrix		—	567	1⅝	1⅜	1⅜	—⅛
Cented	.30	1.8	1529	17½	16¼	16⅝	+⅜
CentBcp	.40	1.4	346	29¾	27	28⅝	+1⅞
CentBc	1.75t	...	14	10⅛	9½	10⅛	
CentCel		—	1633	16½	16	16¼	—⅛
CtrBnk	.16	1.3	34	12½	11¾	12½	
Centrbk	.05e	.4	5586	12⅞	11⅞	12⅝	+⅝
Centgrm		—	4751	15⅛	14	14⅝	+¼
Centocor		—	55058	21	18⅝	20¾	+2½
CtrCOp		—	715	10¼	9⅝	10⅛	+⅜
CEurMda		—	858	9⅜	9⅛	9⅜	+½
CFidBk	1.12	4.1	3544	27¼	26½	27	—
CenGardn		—	1410	3⅝	3⅛	3⅝	
CJerFin	.40b	2.2	12	18½	17	18½	+1⅜
CtrMtge	.48	2.2	1114	22¼	20⅜	22¼	+½
CRsLfe	.44	5.2	342	8½	8	8½	+½
CnSprn		—	1574	13⅜	10⅜	13⅜	+2
CntTrac		—	141	15⅝	14½	14⅜	—⅛
CtSou	.07e	1.0	69	7	6½	7	+¼
CntyBc	.12	1.4	517	9	8⅝	8⅝	—⅛
CtrySq	.36	2.9	123	12¾	12	12⅝	+¼
CntyCm		—	6634	8⅞	8¼	8⅜	+¼
Cephln		—	2462	8½	7⅞	7⅞	—⅜
Cerdyn		—	55	3⅛	2⅝	2⅝	—⅜
Cerbco		—	216	4⅝	4⅛	4⅛	—⅛
Cerner		—	4337	49¼	44½	49	+3⅝
Cerplex		—	300	8	7	7	—1
Cervecer	.56e	2.9	2449	21¼	19	19⅝	—1½
ChaiNaTa		—	192	2⅝	2⅛	2⅝	—⅛
Chalone		—	115	7⅝	6⅝	7	—⅛
Chmpin s	.20	1.0	798	20⅝	20¼	20⅛	+¼
ChmpPr		—	93	3⅜	3⅛	3⅛	+¼
Champps		—	168	6⅝	5⅝	6⅝	+⅛
Charlin		—	10	5⅛	5⅛	5⅛	+⅜
ChrmSh	.09	1.5	16784	6⅛	5⅜	6⅛	+½
ChartFdl	.18e	1.4	759	13¼	12½	12⅞	+⅜
ChfOneF	.68	3.1	4102	21⅝	20¼	21⅝	+1⅛
Chattm		—	358	6¼	5⅝	5⅝	—⅝
ChkTch		—	645	7	6⅝	6⅝	—⅜
Checkers		—	7307	3⅛	2⅝	[illegible]	[illegible]
Checkmte		—	1381	9⅝	9	9¼	+¼
ChesCk s		—	5698	19¾	17	18¾	+1⅜
ChmTrk		—	2865	2⅞	2⅛	2½	+¼
Chmlab		—	196	14	12⅝	14	+¼
ChmFin s	.64	2.4	x203	27	26½	27	—1½
Chmpwr		—	52	3⅜	3⅝	3⅝	—⅜
CherryA		—	1185	16⅛	14⅜	15⅝	+⅛
CherryB s		—	757	15⅝	14	15	+½
ChesEn s		—	5307	16	15¼	15¼	—¼
ChestrV	.32b	1.7	x46	19½	19¼	19⅜	—⅜
ChDock	.04	.4	102	10⅛	10⅛	10⅛	—⅛
Chicos		—	1720	7	6⅝	6⅞	+⅜
ChldCmp		—	480	2⅞	2⅛	2⅝	—½
ChldDis		—	5689	15⅞	14⅛	15⅝	+1⅜
Chinatek		—	4076	1½	1	1⅛	+½
Chipcm s		—	13356	45¾	42½	44	—1
ChipsTC		—	8155	7	6¼	7	+⅜
Chiron		—	61868	62⅜	55⅝	57	—5⅝
Chittend	.52	2.3	302	23¼	22⅝	22⅝	—⅛
ChcDrg		—	702	3⅞	3⅝	3⅝	+½
Cholest		—	543	2⅛	1⅝	1⅝	—⅛
ChrchCft		—	180	21½	20⅝	21⅜	+⅛
Chronimd	.47t	—	6317	12¼	10½	12⅛	—⅛
CIBER		—	4981	15⅝	14	15 9/16	+1 9/16
Cidco		—	5210	32¼	29½	31¼	+⅜
CIMA Lb		—	1405	5⅜	4⅞	5	—⅜
Cimco		—	23	4½	4½	4½	
CinarFlm		—	367	6	5⅝	6	
CinnFin	1.36b	2.4	1414	56⅜	54⅝	55⅝	+⅞
CinMic		—	4184	6⅞	5⅝	6⅜	+⅜
CinMic wt		—	801	3⅜	2⅝	3⅜	+⅜
Cinergi		—	1354	8	6¾	7⅝	+¾
Cintas	.20	.5	3477	39	37¼	38½	+⅞
Ciprico		—	271	5⅝	5¼	5⅝	+¼

Stocks	Div	Yld	Sales 100s	High	Low	Cse	Chge
CupNBk	.10r	1.1	260	9½	8¾	9⅛	+⅛
CurTch		—	5560	4⅛	4	4⅛	—⅛
CustCh		—	1677	20	19⅛	19¾	—½
CyberOpt		—	1915	10⅛	9⅝	10⅛	+⅛
Cyberonic		...	15	4½	3⅝	3⅝	—⅜
CygneD		—	1770	13	10	10½	—2½
Cygnus		—	3805	8¼	7⅛	7¼	—⅞
Cyrix Cp		—	23810	24	22	23⅛	—1⅛
Cyrk		—	7629	24½	21½	23⅛	+1⅝
Cytel		—	2948	4⅝	3 11/16	3⅝	—⅛
Cytocre		—	1025	6	5⅛	5⅝	—⅛
Cytogn		—	3870	4	3½	3⅝	—⅛
Cytogn wt		—	2267	½	⅜	½	+⅛
Cytogn rt		—	748	[illegible]	[illegible]	[illegible]	[illegible]
Cytothr		—	2133	6⅝	5½	6	—¼
CytRx		—	4181	2	1⅞	1⅞	—⅛

D

Stocks	Div	Yld	Sales 100s	High	Low	Cse	Chge
D&N Fn		..	951	9⅛	8⅝	9⅛	+⅛
DIY Hme		—	860	7⅛	6⅛	6⅝	—⅝
DBA		—	275	9	8⅝	8⅝	—⅛
DEP A		—	60	1⅞	1⅝	1⅞	—⅛
DEP B		—	108	2⅛	1⅝	2⅛	
DF&R		—	2417	15½	14⅝	15⅛	—⅛
DH Tch		—	617	24¾	23	23⅛	—1
DM Mat		—	638	4⅛	3⅝	3⅝	—⅛

Stocks	Div	Yld	Sales 100s	High	Low	Cse	Chge
DlyJour		—	3	18	18	18	—1
DairyB		—	44	4⅛	3⅝	3⅝	—⅛
DairyA		—	73	4	3⅝	4	
Daisytk n		—	3015	19	16⅞	16⅞	—⅜
Dako		—	2388	17⅛	16⅛	17⅜	+⅛
Dakotah		—	183	3⅞	3⅝	3⅝	+⅛
Daktron		—	324	6⅛	6	6⅛	
Damark		—	3272	8½	7⅛	7⅜	—⅛
Danka s	.071	.3	50448	24⅞	21⅞	24⅞	+1½
Danskin		—	611	3⅛	2⅝	2⅞	—⅛
Darling		—	1064	14⅞	13⅝	13⅞	—⅛
DartGp	13	.2	9	82	76¾	77½	—1⅜
DtBdcst		—	3517	4⅝	4⅛	4⅛	—⅛
Dta IO		—	1736	5½	4⅝	4⅞	—⅛
DtaMea		—	12	6⅛	6	6	—
DtaRsh		—	454	10⅛	9½	10⅛	—⅛
DtSwtch		—	1543	3⅝	3¼	3½	+⅛
DataSyst		—	1948	6⅝	6	6¼	+⅛
DtaTrn		—	1432	25	21	24	+1⅛
DtTrNw		—	270	23¼	20⅜	22⅝	+1⅛
Datflx		—	26752	9¾	7½	9⅛	+1⅜
Datkey		—	14	3⅛	3⅛	3¼	—⅛
Datmar		—	624	9	7⅝	9	+½
Datscp		—	3543	18⅝	17⅝	18½	+½
Dataware		—	3567	12⅛	11⅛	11⅛	—½
Datawtch		—	1747	2½	1⅞	2½	+½
DataRce		—	1316	6⅝	6⅛	6⅛	—⅜
Datron		—	284	12	11¼	11⅝	—⅜
Datum		—	1115	11½	10⅛	10⅝	—1⅛
Dauphin	1.08	4.0	655	25½	24½	25	—½
Davco		—	326	14	13⅛	13½	—⅛
Davel		—	96	12½	12	12	—¼
DavdsnA		—	8293	28	24⅝	28	+2½
Davox		—	195	6	5½	6	+¼
Daw Tch		—	5349	6⅝	6⅛	6⅞	
Dawson		—	847	12¼	11	12	+⅞
DayRun		—	661	14½	13¾	14½	+⅛
DeVry		—	2826	36	33	35¼	+1⅜
DeWolfe		—	358	4⅝	4½	4⅝	—⅜
DebShp	.20	4.6	407	5	4⅛	4⅝	—⅛
DeckOut		—	1657	14	12⅛	12⅛	—1⅛
DeepTech		—	670	10¼	8⅝	8¾	—1
Deerbank	.60a	1.4	57	43	42⅝	42⅝	—⅛
Defninc	.04e	.6	715	6⅞	6⅝	6⅝	
DeflcShd		—	345	9½	8⅝	9 7/16	—7/16
DekibGn		—	4711	21⅞	21⅛	21⅛	—⅛
DkibGn	.80	2.7	2448	30½	28¼	29⅞	+1⅜
DelaOts	.10b	1.0	4	10½	10	10	—½
Delchm	.44	2.6	193	17¾	16¾	17¼	+¼
DellCptr		—	93889	43⅝	39¾	42	—1⅝
DelpFin		—	347	19	17¾	18	—1
Delrina		—	2756	14½	13⅝	14	—⅛
DeltPine	.16	.8	3356	21½	18½	20	+1⅛
DeltNG	1.12	6.3	40	18⅝	17¾	17¾	—1
Dentsply	.15e	.5	3837	33¼	32⅞	33⅛	+⅛
DepGty	1.12	3.5	354	32½	31⅝	32⅝	+⅛
Deprnim		—	204	4⅝	4½	4⅝	—
Designs		—	14801	8⅝	7⅜	8	—⅛
DetSys		—	174	7½	6¾	7	—⅛
DetrxC		—	183	8¼	7½	7⅞	—⅛
Devcon		—	90	8¼	8	8⅛	—⅜
DeVBul		—	2247	1 13/16	1⅝	1 13/16	+⅛
Devon		—	1357	26¼	24½	24⅞	—⅞
DialPge		—	1316	12	11¼	11¼	—¾
Dialogic		—	9553	26½	24	26½	+2¼
Diametrc		—	64	7	6⅝	7	+⅛
Dianon		—	403	5½	5¼	5½	
Dibrell	.80	4.4	1276	19	18⅛	18⅛	—⅝
DClark		—	64	8½	8¼	8¼	—½
DigiIntl		—	3575	23⅞	22¼	22½	—½
DigitBio		—	5801	9⅞	7⅝	9½	+1⅜
DigtLnk		—	5474	25⅝	22	25	+1½
DigMic		—	18142	15	11⅞	14⅝	+2⅛
DiglSd		—	7263	2½	2⅛	2⅜	—
DigtSy		—	1400	7	6⅝	6⅝	—⅛
DimeFn		—	186	10	9⅝	10	
Dionex		—	923	42½	39⅝	41¼	+1⅜
DiscZone		—	16407	7⅞	6⅛	7⅛	—½
DodeYr		—	717	6⅞	6⅛	6⅝	—⅛
Dolco s		—	175	14½	11⅝	13½	—1⅜
Domng	1.16	6.5	17	17¾	17	17¾	+⅛
Donegal	.36	2.4	545	14⅝	14	14⅝	+⅜
Donkenny		...	15479	17½	16⅛	16⅝	—⅜
DrchHu	.68	5.8	321	12⅜	11⅝	11 11/16	—⅛
DorseyTr		—	301	13⅛	12½	12½	—1½
Doskcl		—	782	8⅜	8⅛	8⅜	
Dotmix		—	1928	2½	2⅛	2⅜	—⅛
Dbletree		—	2977	18⅜	17⅛	18⅛	+1⅛
DglsLam	.40	2.4	925	19	15½	16⅝	—2⅛
Dovatrn		—	2740	20⅜	19½	20	—¼
Draxis g		—	1918	1⅝	1⅜	1⅝	+1/16
DrecoE		—	456	9⅞	8⅝	9⅛	+⅜
DressB		—	1995	10⅜	9⅞	10	—¼
Drexlr		—	517	5⅛	5	5	—¼
DreyerG	.24	.9	1718	26¼	24¾	25⅝	+⅛
DrugE		—	1513	4⅛	4	4⅛	+⅛
Drypers		—	7006	10¼	8	8⅝	—1⅛
DualDri		—	5708	7½	7	7⅛	—¼
DualStr n		—	7849	5⅞	[illegible]	5	[illegible]

M

Stocks	Div	Yld	Sales 100s	High	Low	Cse	Chge
Medarex		—	1322	3⅝	3¼	3½	—⅛
Medarx wt		—	207	1	11/16	11/16	—⅛
MedCath		—	958	14¼	13½	14⅛	+⅝
Medex	.16	1.5	347	11	10	10½	+½
MedSy s	.56a	3.2	1192	17½	16½	17½	+½
MediaArt		—	838	6⅝	6⅛	6¼	—⅛
MedCmp		—	7822	44⅝	41⅞	43⅝	+2⅛
MedAct		—	633	1 3/16	15/16	1	—
MedCtrl		—	254	9⅝	9	9	—⅛
MedDiag		—	1220	4½	3 15/16	4⅜	+⅛
MedGr		—	149	6¼	5⅝	6⅛	—
MedMat		—	246	4 11/16	4½	4⅝	..
MedT wt		—	290	2¼	1⅛	1⅜	—⅜
MedTech		—	1216	6⅝	6⅛	6⅛	—⅜
MedSh	.56	1.9	2033	29⅜	28¼	28⅝	—
Medicis		—	3360	[illegible]	[illegible]	[illegible]	[illegible]
Medic wtC		—	268	[illegible]	[illegible]	[illegible]	—
Medicus	.09b	.5	2565	18½	17⅛	17⅝	—½
MediSens		—	7535	20⅝	19⅞	19⅞	—⅝
MedPart n		—	9916	20½	16½	20½	+3½
Medrad		—	73	17	16½	16½	—½
Megatest		—	25155	12	8⅝	9⅞	—¼
MegaFin		—	858	4⅜	4⅛	4⅜	—⅛
Melami		—	213	9	8½	9	+½
MellonP	.49a	13.1	148	3¾	3⅛	3¾	+⅛

Stocks	Div	Yld	Sales 100s	High	Low	Cse	Chge
Memorex		—	4729	[illegible]	[illegible]	[illegible]	[illegible]
Memtec	.07e	.6	41	11⅝	11½	11½	—⅜
MenWre		...	4484	22⅝	20¼	20¼	—
Mentor	.10e	.4	11634	24⅝	23¼	23⅝	+⅛
MentGr		—	13294	13½	12⅝	12⅝	—½
MercBk	.80	3.8	3532	21½	20¾	21	—
Mercer		—	5282	14½	13⅝	14½	+½
MrcBnc		—	53	10½	10	10½	—1
MrchBcp	.40	1.7	103	24	23⅝	24	—
MerBkNY	2.00	3.8	6	53	51	52	—1
MercGn	.80	2.5	1905	32½	30⅜	31¾	+⅜
MercInt		—	3442	13⅝	12½	13¼	...
MrdnBc	1.36	4.5	8998	31	30⅜	30¼	—⅜
MeridDia	.16b	1.7	325	9¾	9¼	9⅝	+¼
Merdins	.24	2.0	247	12	11½	12	...
MerP183		—	28	3⅛	3	3	—⅜
MeridSpt		—	910	9¼	8⅝	8⅝	—½
MerisL		—	1605	4⅛	3½	3⅝	—⅛
Merisel		—	42300	6½	5	5⅛	—1⅜
MeriMd		—	573	5¼	4⅜	4⅝	—½
Merix Cp		—	3340	25½	22½	24½	+1½
MeritCp	.12	.8	1373	17⅛	15½	15⅝	+⅛
MesaAr		—	16893	7⅛	6⅝	6½	—
MetCoil		—	35	3⅜	2⅝	2⅝	—½
Metatec		—	1008	13⅞	12	12¼	—1½
Metharix		—	71740	11	9⅜	9⅝	—⅞
MethdB	.10	.6	3	17½	17	17½	—½
MethdA	.12	.8	4478	16	14½	15¼	+½
Metrcm		—	1921	14⅜	13¾	14¼	—¼
MetroFn	.20b	1.9	145	11	9⅝	10⅝	+1¼
Metrocall		—	267	17½	16½	16½	—½
Metrolog		—	5415	19½	13½	15⅛	—4⅜
MetroBcp	1.32t	—	838	9¼	8½	9	—
Metrotrn		—	310	6	5¼	5⅝	+⅛
MaomSb		—	3756	2 3/16	1 15/16	2	—
MichlF	.20	1.7	1577	12⅛	11⅝	11⅞	—⅛
MichStr		—	13986	32¼	31	31⅜	—½
MichFn s	.58	2.8	45	21	19½	21	—
MichNt	2.20	2.1	4792	102¾	101¾	102½	+⅜
MicomC		—	1319	8¼	7	7½	—½
Micrel		—	5049	19	16¼	18½	+1¾
Micrion		—	872	11½	10	10⅛	—1
MicrBl		—	2655	10	9½	9⅞	+¼
MicFocu		—	17	12⅜	12	12⅛	+⅛
MicroHll		—	1074	3⅞	3¼	3 11/16	+3/16
MicroLin		—	4041	9⅞	8¾	8⅞	—1
MicWar s		—	6423	29½	28	29	+½
MicroAge		—	5536	9⅜	9⅛	9⅜	—¼
Micrchp s		—	27763	26⅝	23½	26⅝	+1⅛
Microcm		—	6118	11⅛	10⅛	10⅞	—⅛
Micrdv		—	2547	13⅛	12¼	12⅝	—¼
MicrPck		—	285	2	1¾	[illegible]	[illegible]
Microflu		—	802	4⅜	3⅝	3 15/16	—1/16
Micrgfx		—	2607	6⅝	6⅛	6½	+⅛
MicreInfo		—	3106	3⅝	2⅞	3⅛	—⅜
Micrnics		—	2137	5½	5¼	5⅜	—⅛
Micrap		—	9407	6½	5⅝	5 11/16	—1
Micros		—	6518	35⅝	28	30	—5¼
MicSem		—	229	4⅛	4⅜	4⅝	—⅛
Micsft s		—	119364	64	61⅛	63⅝	+2⅜
MicrtcRs		—	4491	11½	10½	10½	—⅜
Micrtek		—	115	5⅜	4⅞	5⅛	+⅛
Micrtest		—	11158	18¼	16	17½	—½
MictchS s		—	7599	30¼	27¼	28½	+¼
MidConB	.10e	.8	1700	13⅝	12¾	13¼	+½

N

Stocks	Div	Yld	Sales 100s	High	Low	Cse	Chge
NuWest s		—	933	10⅝	10⅛	10⅝	+⅛
NucMet	.20	1.4	6	14⅛	12⅝	14	—1⅜
NuclSpt		—	121	2⅛	2	2⅛	+⅛
NuKote A		—	1036	23⅛	21⅛	22	—1½
Numar		—	2976	9⅝	9¼	9 9/16	+⅛
Nutrmax		—	263	8½	7¾	8½	+⅜
NYCR pf	1.70	11.9	7	14⅛	14	14¼	—⅛
Nycor		—	43	3	2 13/16	2 13/16	—3/16
NycorA	.16	6.1	22	2⅞	2⅝	2⅝	—⅛

O

Stocks	Div	Yld	Sales 100s	High	Low	Cse	Chge
OChrly s		—	335	14⅛	13⅛	13⅛	—½
OESI		—	7	1⅛	⅞	1⅛	...
OI Corp		—	292	4⅝	4⅜	4½	...
OM Grp	.36	1.5	2686	24⅛	23½	23⅞	+⅛
OPTI		—	13894	16½	15	16⅞	+1½
OReilyAu		—	1094	28	26	27	—⅜
OSB Fn	.56	2.4	32	23	21¾	23	—⅛
Oshap		—	491	2⅛	2 1/16	2⅛	—1/16

Continued on Page 25

CAPITAL MARKETS ON MONDAY

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Mar. 3. Prices supplied by Telekurs.

Rnk	Name	Cpn	Maturity	Price	Yield
Belgian Franc					
203	Belgium	7	04/29/99	98.2300	7.1300
British Pound					
173	Daily mail	9¾	09/23/05	101.1250	9.6400
245	Bristol	6⅞	02/23/99	99.7300	6.8700
Danish Krone					
4	Denmark	7	12/15/04	88.7000	7.8900
8	Denmark	8	05/15/03	95.8000	8.3500
14	Denmark	9	11/15/96	102.4800	8.7800
19	Denmark	8	03/15/06	94.1000	8.5000
23	Denmark	9	11/15/98	102.2300	8.8000
35	Denmark	6¼	02/10/97	97.9000	6.3800
44	Denmark	9	11/15/00	101.9500	8.8300
48	Denmark	6	12/10/99	91.2000	6.5800
55	Denmark	9¼	08/10/95	101.2300	9.1400
58	Denmark	8	11/15/01	97.0000	8.2500
66	Denmark	9	11/15/95	101.5600	8.8600
110	Denmark	5¼	08/10/96	97.6800	5.3700
128	Denmark	zero	04/03/95	98.6139	15.6700
133	Denmark	7	11/10/24	78.5300	8.9100
150	Denmark	7	08/15/97	98.4000	7.1100
169	Denmark	zero	07/03/95	98.0645	5.9700
211	Denmark	zero	10/02/95	96.5554	6.1600
Deutsche Mark					
1	Germany	7⅜	01/03/05	100.2600	7.3600
3	Treuhand	7	11/25/99	100.7050	6.9500
5	Treuhand	7½	09/09/04	100.8050	7.4400
6	Germany	8	01/21/02	103.6320	7.7200
7	Germany	6¾	07/15/04	95.9627	7.0300
9	Treuhand	6⅜	07/01/99	98.1700	6.4900
10	Germany	8¾	12/20/95	102.3600	8.5500
11	Germany	8¼	09/20/01	105.0350	7.8500
12	Germany	9	10/20/00	108.5000	8.2900
13	Germany	7½	11/11/04	100.9486	7.4300
15	Germany	8½	03/20/96	102.7300	8.2700
16	Germany	6	09/15/03	91.4525	6.5600
17	Germany	6¾	09/15/99	99.6300	6.7800
18	Treuhand	6¾	05/13/04	95.9300	7.0400
20	Treuhand	6¼	03/04/04	92.7757	6.7400
22	Germany	8¾	08/20/01	107.5200	8.1400
24	Germany	6¼	01/04/24	82.9586	7.5300
25	Germany	8⅜	01/20/97	103.6700	8.0800
27	Germany	8¾	07/20/00	107.3700	8.1500
29	Treuhand	6¼	07/29/99	97.7375	6.3900
30	Germany	8	09/22/97	103.3900	7.7400
31	Germany	8	07/22/02	103.6800	7.7200
32	Germany	8¼	07/21/97	103.8625	7.9400
34	Treuhand	5¾	04/29/99	96.0800	5.9800
37	Germany	8½	04/22/96	102.8800	8.2600
38	Germany	6⅞	12/02/98	100.0900	6.8700
39	Treuhand	5	12/17/98	94.2217	5.3100
40	Treuhand	5	01/14/99	94.0214	5.3200
41	Germany	8⅝	02/20/96	102.6720	8.4000
45	Germany	6⅝	01/20/98	100.0967	6.6200
46	Germany	8	03/20/97	103.2000	7.7500
47	Germany	7½	10/20/97	102.2500	7.3300
49	Germany	9	01/22/01	108.6700	8.2800
50	Germany	7¼	10/20/97	101.6800	7.1300
51	Germany	8⅛	01/22/96	102.0767	7.9600
52	Germany	5¼	10/20/98	95.2167	5.5100
53	Germany	8¾	05/22/00	107.3950	8.1500
54	Germany	7⅛	12/20/02	98.8500	7.2100
57	Germany	8½	02/20/01	106.2425	8.0000
59	Germany	8⅞	12/20/00	108.1275	8.2100
60	Germany	6⅛	05/20/99	97.3633	6.2900
61	Treuhand	6	11/12/03	91.3886	6.5700
62	Treuhand	6⅛	03/26/98	98.6300	6.2100
65	Treuhand	7¾	10/01/02	102.2500	7.5800
67	Germany	5¾	08/20/98	96.9950	5.9300
70	Germany	8½	08/20/96	103.3300	8.2300
71	Treuhand	5⅝	09/24/98	96.4700	5.8300
72	Germany	6⅜	05/20/98	99.1667	6.4300
74	Germany	8⅜	05/21/01	105.6700	7.9300
75	Germany	5⅝	02/22/99	95.1233	5.6500
77	Germany	7	12/22/97	101.1150	6.9200
81	Germany	8¾	05/22/95	100.7100	8.6900
86	Germany	6¾	04/22/03	96.4000	7.0000
90	Germany	8½	08/21/00	106.3300	7.9900
91	Germany	6⅞	02/24/99	100.1645	6.8600
92	Treuhand	6⅝	07/09/03	95.3500	6.9500
93	Germany	7¼	01/20/00	101.5500	7.1400
94	Germany	5.28	09/30/04	98.8200	5.3434
96	Germany	8½	09/20/96	103.4800	8.2100
97	Germany	6	02/20/98	98.4140	6.1000
102	Treuhand	6½	04/23/03	94.7900	6.8600
103	Germany	6½	07/15/03	94.7600	6.8600
109	Germany	7¼	10/21/02	99.7914	7.2700
113	Treuhand	6⅛	06/25/98	98.2750	6.2300
114	Germany	6	06/20/16	81.9186	7.3200
115	Bundesbk	zero	03/15/95	99.8912	2.6800
120	Treuhand	6⅞	06/11/03	96.9100	7.0900
124	Germany	9	10/20/95	102.0900	8.8200
125	Germany	6⅜	08/14/98	98.8233	6.4500
127	Germany	5¾	08/20/97	98.5600	5.8300
135	Germany	8¾	07/20/95	101.2700	8.7600
138	Germany	8⅝	05/22/95	100.4800	8.5700
143	Germany	6⅝	05/20/97	100.2300	6.3600
145	Treuhand	7⅛	01/29/03	98.6500	7.2200
149	Germany	6½	02/20/97	100.5950	6.4600
155	Germany	8⅞	01/22/96	102.7000	8.6400
159	World Bank	5⅝	11/10/03	89.8500	6.5400
166	Treuhand	7⅜	12/02/02	100.2000	7.3600
193	EIB	7¾	01/26/05	101.7000	7.6200
217	KFW	7½	01/24/00	101.6500	7.3800
219	Germany	6¾	05/02/03	95.7950	7.0500
228	Bundespost	7¾	10/01/04	101.4567	7.6400
229	Germany	5¼	11/20/97	97.1357	5.4000
236	Germany	6¼	02/20/98	99.1500	6.3000
239	Germany	6¾	01/20/99	99.8240	6.7600
249	TMCC	7¼	02/23/00	101.3234	7.1600
Dutch Guilder					
2	Netherlands	7¾	03/01/05	101.5000	7.6400
43	Netherlands	7¼	10/01/04	98.5000	7.3600
64	Netherlands	5¾	01/15/04	89.3600	6.4300
80	Netherlands	8¼	02/15/07	104.5500	7.8900
98	Netherlands	6¼	07/15/98	98.3000	6.3600
101	Netherlands	7½	01/15/23	96.0000	7.8100
112	Netherlands	7½	06/15/99	101.8500	7.3600
116	Netherlands	8¼	09/15/07	104.5600	7.8900
126	Netherlands	8¼	06/15/02	105.2000	7.8400
132	Netherlands	9	05/15/00	108.0500	8.3300
140	Netherlands	8¾	01/15/07	108.2000	8.0900
144	Netherlands	8¼	02/15/02	105.1500	7.8500
152	Netherlands	7	02/15/03	97.8000	7.1600
154	Netherlands	8¾	09/15/01	107.6000	8.1300
156	Netherlands	6½	04/15/03	94.6000	6.8700
160	Netherlands	8½	03/15/01	106.1500	8.0100
164	BNG	8	02/28/05	103.0000	7.7700
182	Netherlands	8½	06/01/06	106.6000	7.9700
214	Netherlands	6	05/15/96	100.0100	6.0000
223	Netherlands	7½	11/15/99	102.0700	7.3500
225	GECC	7	02/24/98	100.8000	6.9400
231	Netherlands	6½	07/15/98	99.0000	6.5700
ECU					
21	France OAT	6	04/25/04	85.6400	7.0100
28	France BTAN	5	03/16/99	89.5600	5.5800
33	UK T-note	5¼	01/21/97	95.8750	5.4800
56	France BTAN	7¾	03/16/98	98.2800	7.3800
63	UK T-note	8	01/23/96	100.8750	7.9300
83	UK T-note	8	01/27/98	100.1250	7.9900
100	EIB	8¼	02/28/00	100.2500	8.2300
104	Italy	6¼	02/21/99	88.4000	7.0700
106	Britain	9⅛	02/21/01	103.5000	8.8200
108	France OAT	6¾	04/25/02	91.6000	7.3700
111	France OAT	9½	04/25/00	104.5100	9.0900
118	EIB	10	01/24/01	107.1250	9.3300
121	Italy	9¼	03/07/11	97.3750	9.5000
129	France OAT	8¼	04/25/22	95.0000	8.6800
131	France OAT	8	04/25/03	97.8500	8.1800
168	France OAT	10	02/26/01	108.0000	9.2600
171	Italy	11.90	09/26/95	99.45	11.97
176	Cais. Fse Dev.	5½	02/09/01	86.1250	6.3900
178	Uk gov	zero	05/11/95	98.8485	6.1300
197	Uk gov	zero	06/15/95	98.2700	6.1900
226	France OAT	8½	03/15/02	100.0200	8.5000
247	Uk gov.	zero	04/13/95	99.3051	5.9600
Finnish Markka					
233	Finland	9½	03/15/04	96.5422	9.8400
French Franc					
82	France OAT	7½	04/25/05	96.8100	7.7500
88	France OAT	8½	11/25/02	103.3500	8.2200
105	France BTAN	7	11/12/99	97.3800	7.1900
123	France OAT	6¾	10/25/04	92.0300	7.3300
136	France OAT	8½	04/25/03	103.3500	8.2200
141	France OAT	8½	04/25/23	101.3000	8.3900
174	France BTAN	4¾	04/12/99	90.1700	5.2700
177	France BTAN	8½	03/12/97	102.3600	8.3000
185	France OAT	5½	04/25/04	84.4500	6.5100
186	France OAT	zero	04/25/23	9.5500	8.7000
200	France BTAN	8½	11/12/97	102.7300	8.2700
224	France BTAN	6½	10/12/96	99.0000	6.5700
244	France OAT	6	10/25/25	74.0000	8.1100
Italian Lira					
179	Italy	12	10/01/95	99.9250	12.0100
190	Italy	8½	08/01/04	77.8800	10.9100
Japanese Yen					
68	World Bank	4¾	12/20/04	102.3750	4.6400
84	World Bank	4½	03/20/03	100.8750	4.4600
99	World Bank	4½	12/22/97	103.6250	4.3400
122	Mitsui est.	4.70	03/17/97	102.9550	4.57
130	World Bank	5¼	03/20/02	105.7500	4.9600
142	Italy FRN	2⅜	07/26/99	99.5100	2.3866
146	Asahi fin. cay.	5	05/31/05	98.7137	5.0700
157	Italy	3½	06/20/01	93.8750	3.7300
189	Italy cl b	5	12/15/04	100.1250	4.9900
198	World Bank	4½	06/20/00	102.7500	4.3800
202	Nomura euro.	4	02/24/00	99.8000	4.0100
204	Japan Dev. Bk	5	10/01/99	105.3750	4.7400
205	Spain	4⅝	07/22/04	100.1250	4.6200
210	Sumitomo rea.	3⅞	07/29/98	99.9750	3.8500
230	Salliemae	3.20	08/18/97	100.00	3.20
232	Santander	4.70	02/28/00	102.3100	4.5900
235	Japan Dev. Bk	6½	09/20/01	112.7500	5.7600
241	Sumitomo rea.	3.70	10/29/98	98.50	3.7600
242	Manasec ltd	1⅛	10/29/98	100.0344	1.1200
243	World Bank	6	10/18/96	105.2500	5.7000
Spanish Peseta					
151	Spain	8	05/30/04	78.7500	10.1600
170	Spain	8.30	12/15/98	89.8700	9.2400
180	Spain	11.45	08/30/98	99.3700	11.5200
201	Spain	10.30	06/15/02	92.1200	11.1800
207	Spain	13.45	04/15/96	102.7500	13.0900
208	Spain	9	02/28/97	96.3700	9.3400
246	Spain	7.40	07/30/99	89.8500	8.2400
Swedish Krona					
76	Sweden	6	02/09/05	72.0700	8.3300
213	Sweden	11	01/21/99	102.8400	10.7000
U.S. Dollar					
26	Argentina FRN	6½	03/29/05	48.6250	13.3700
36	Brazil FLIRB	4	04/15/14	40.0000	10.0000
42	Brazil FRN	7 [illegible]	01/20/01	77.0000	10.15
69	Mexico	6¼	12/31/19	48.1250	12.9900
73	IFC	7⅞	02/28/05	101.6250	7.7500
78	Brazil FRN	6 [illegible]	04/15/06	56.6250	11.8100
79	Mexico	6¼	12/31/19	48.1250	12.9900
85	Chugoku elec.	8	02/23/00	101.6250	7.8700
87	Venezuela FRN	7 [illegible]	12/18/07	44.7500	17.18
89	Campbell soup	7¾	02/24/97	101.1250	7.6600
95	Argentina par	4¼	03/31/23	38.1250	11.1500
107	Brazil FRN	6¾	04/15/12	49.3750	13.6700
117	Prime tget FRN	6.57	10/01/01	100.0000	6.5800
119	Bankam. FRN	6⅝	02/27/00	99.7500	6.3900
134	World Bank	7⅛	09/27/99	99.7500	7.1400
137	Venezuela	6¾	03/31/20	44.0000	15.3400
139	Brazil	4	04/15/24	37.8750	10.5600
147	Mexico	6.76	12/31/19	60.0000	11.2800
148	Canada	6½	07/07/97	98.3750	6.6100
153	Poland	3¼	10/27/14	40.1640	8.0900
158	Intelsat	8⅛	02/28/05	101.6250	8.0000
161	Credit Foncier	8	02/23/98	101.8750	7.8500
162	Argentina FRN	7⅛	03/31/23	49.2500	14.4700
163	Brazil FRN	6 [illegible]	04/15/24	54.0000	12.3800
165	Mexico FRN	6 [illegible]	12/31/19	60.0000	11.15
167	Caisse Fse Dev.	8	03/01/00	102.2500	7.8200
172	Poland FRN	6 [illegible]	10/27/24	64.6250	10.54
175	Brazil	4	04/15/24	37.8750	10.5600
181	Britain	7¼	12/09/02	98.6250	7.3500
183	Ontario	7⅜	01/27/03	97.3750	7.5700
184	EIB	8	12/20/99	102.3750	7.8100
187	Bank Scot.FRN	7 [illegible]	12/31/99	98.0415	7.3300
188	Venezuela	7	03/31/07	45.3750	15.4300
191	Sweden FRN	6⅛	02/08/01	98.8200	6.2000
192	Portugal	5¾	10/08/03	87.5000	6.5700
194	Finland	7⅝	07/28/04	101.7500	7.7400
195	Mexico FRN	6 [illegible]	12/31/19	60.0000	11.5600
196	American expr	8⅛	01/31/97	101.1250	8.0300
199	GECC	8⅛	02/23/07	101.6250	8.0000
206	Baden Wuert.	8⅛	01/27/00	102.6250	7.9200
209	Ab spintab FRN	7 [illegible]	12/31/99	98.2371	7.7000
212	Mexico FRN	7¼	12/28/19	60.0000	12.0800
215	Bulgaria FRN	7 [illegible]	07/28/24	43.2500	17.4900
216	Mexico FRN	7 [illegible]	03/30/08	78.2500	9.3500
218	Pepsico inc	7¾	02/28/97	100.8750	7.6800
220	GMAC	zero	04/25/95	98.0664	13.3200
221	Cemex sa	8⅞	06/10/98	66.0000	13.4500
222	World Bank	8¾	03/01/97	103.3750	8.4600
227	World Bank	8⅛	10/01/99	104.5000	8.0100
234	Elf aquitaine	zero	04/03/95	98.9039	12.1800
237	Britain FRN	6¼	09/24/96	99.9000	6.2600
238	Abb Int'l fin	7½	01/10/97	100.2500	7.4800
240	GM accept	8½	01/20/98	101.7500	8.3500
248	Nigeria main	6¼	11/15/20	38.7500	16.1300
250	EIB	8¼	12/20/04	104.3750	7.9000

Banks Are Back as Global Lenders

By Carl Gewirtz
International Herald Tribune

PARIS — After nearly a decade of retrenchment following the Third World debt crisis and the subsequent tightening of global capital standards, banks are back in business.

They have taken over the international capital market, displacing private nonfinancial corporations as the biggest issuers of bonds, and they have resumed international lending on a scale not seen before.

The latest Financial Market Trends, published by the Organization for Economic Cooperation and Development, showed that banks last year were the major issuers of international bonds, with total volume of $136 billion, 24 percent above the level of 1993 and more than double the levels seen at the start of the decade. Banks accounted for 32 percent of the $426.9 billion raised in the international bond market last year.

At the same time, syndicated bank credits totaled a record high of $203 billion. Excluding identified refinancings, net lending surged to $149 billion — topping the peak of $115 billion posted in the late 1980s. While there is no breakdown of how much of this was lending to corporations, 88 percent of the total was lent to borrowers in the major industrialized countries that are members of the OECD.

This dramatic increase in bank lending was marked by "fierce competition between banks hungry for assets" that resulted in a sharp decline in borrowing charges and a relaxation of standard financial covenants, raising the question "whether the present terms adequately compensate banks for the risk they are taking," the report stated.

This fierce competition to lend, last seen in the lead-up to the 1982 Mexican debt crisis, continues. For example, a syndicated loan of 5 billion European currency units ($6.46 billion) for Italy carries an interest rate of 8 basis points over the interbank offered rate at a time when Italian floating-rate dollar bonds trade at a margin of 20 basis points over the interbank rate and its floating-rate note denominated in Deutsche marks trades at a margin of 14 basis points.

Spain, Portugal, Sweden and Greece — among the more prominent recent borrowers to tap the syndicated loan market — have all raised money at costs lower than they would have had to pay to tap the bond market.

Corporate borrowing in the bond market last year dropped 20 percent, to $120.5 billion, the OECD study showed, and bond issues by governments fell by a similar percentage, to $84 billion.

The heavy pace of corporate-bond issuance in the previous three years was associated with a record level of refinancings as companies rushed to take advantage of the worldwide decline in long-term interest rates and lock in low-cost long-term liabilities. That decline ended early last year, resulting in turbulent bond market conditions and a widening of spreads that private companies and governments had to pay to issue paper.

These unsettled bond market conditions, the report noted, resulted in a "spectacular increase" in medium-term Euronotes. These are private placements whose terms and conditions are tailored to suit investors. The placement last year of $243 billion worth of such notes was more than double the level of the previous year. There is no breakdown, however, on who the notes issuers are.

Private companies also made widescale use of the international market to raise $45 billion through the sale of stock. Nearly a third of this was related to privatizations. The total of $15.6 billion in equity placements from companies in developing countries was nearly double the level of the previous year.

With usually at least half of the privatization sales distributed internationally, the report noted that "concern about the prospect of extensive foreign control of industry has diminished considerably."

The report said that "the worldwide privatization effort will be an additional factor contributing to the emergence of an increasingly liquid global financial market." It added that "equity markets seem poised to enter the same higher stage of globalization that is already evident on the bond markets."

However, with privatization programs in Europe alone expected to total $41 billion this year, the report warned that the timing of offerings will become increasingly important "if national and international congestion is to be avoided."

Treasuries In For a Tough Week

Compiled by Our Staff From Dispatches

NEW YORK — With the tumbling dollar kindling expectations for the Federal Reserve Board to raise interest rates, Treasury bond prices are likely to head lower this week.

Prospects for employment data for February, set for release on Friday, to show strong job growth coupled with the dollar's problems might be enough to spur the Fed to act, analysts said.

Last week was a tumultuous one for Treasuries, with prices first gaining in the wake of the collapse of Barings PLC and then falling in step with the dollar. Despite all, the yield on the benchmark 30-year issue finished little changed, at 7.54 percent, compared with 7.53 percent the previous week.

U.S. CREDIT MARKETS

The collapse of Barings drove investors to the bond market early last week, since U.S. Treasury issues are considered secure in times of financial turmoil. But the dollar's plunge later in the week took the steam from the rally, especially after concerted central-bank intervention on Friday failed to halt the dollar's drop.

Bond traders worry that the currency's weakness will scare foreign investors away from dollar-denominated securities and could increase U.S. inflation down the road.

With that scenario, the Fed could use a strong employment report on Friday as an excuse to raise rates.

"One may call this a crisis situation because the dollar has depreciated quite steadily," said Dan Seto, an economist with Nikko Securities International Inc. "If these problems persist, then the Federal Reserve may have to resort to heavy artillery — which is raising interest rates."

Rising interest rates diminish the value of securities that pay fixed rates of return. Some bond-market participants recently have been hopeful that the Fed was ready to begin lowering rates after signs that the economy was slowing in response to seven increases in the past year.

With the dollar struggling and the American funds earmarked to defend it instead being used to prop up the Mexican peso, there is a feeling among investors that U.S. action might depend *on an interest-rate increase by the Fed.*

"Basically right now the market believes that the U.S. Treasury does not have a whole lot of flexibility to shore up the dollar," said Sung Won Sohn, chief economist with Norwest Corp. in Minneapolis.

The bond marked paid little attention to reports Friday that indicated the economy was slowing down — even though there was still some underlying strength.

The Commerce Department said Friday its index of leading economic indicators, designed to forecast economic conditions six to nine months in advance, was flat in January. In a separate report, the department said orders to U.S. factories rose 0.6 percent in January — the slowest rate of increase in three months.

"The economic numbers ... were relatively neutral for the market," said Douglas McAllister, a government bond strategist for Prudential Securities Inc. "The market was more focused on the weakness of the dollar."

But prices of short-term securities are likely to be more stubborn in giving up ground this week, a note trader said. Central banks often put the dollars they acquire through intervention in currency markets to work at the short end of the Treasury market.

Yields on two-year Treasury notes edged up last week, to 6.87 percent from 6.85 percent the previous week. *(Knight-Ridder, Bloomberg, NYT, AP)*

Phillips Says Dollar Takes 2d Place at Fed

Bloomberg Business News

MIAMI — Federal Reserve Board Governor Susan Phillips said that the condition of the domestic U.S. economy outweighed any concern the central bank might have about the plunging dollar.

"The dollar is one of the things we watch," Ms. Phillips said, "but the U.S. has a very large domestic economy and I think that domestic economic considerations are in many ways primary."

Ms. Phillips declined to make any further comment on the dollar, but she did say that current inflation reports suggested any rise in the rate of price increases was no more than a passing phenomenon.

The U.S. economy "is moderating," Ms. Phillips said, but only from its fourth quarter level last year.

She said the slowdown has come mostly in housing, car sales and sales of other durable goods.

New International Bond Issues

Compiled by Paul Floren

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Cassa Di Risparmio Delle Provincie Lombarde	$150	1999	⅛	99.80	—	Over 3-month Libor. Fungible with outstanding issue, raising total to $300 million. Noncallable. Fees 0.20%. Denominations $100,000. (Swiss Bank Corp.)
Fuji Finance	¥20,000	2005	0.15	100	—	Over 3-month Libor until 2000, when issue is Callable at par, thereafter 0.40%. Fees 0.30. (Fuji Int'l. Finance.)
Tokia Finance	¥20,000	2005	0.15	100	—	Over 6-month Libor until 2000, when issue is callable at par, thereafter 0.50%. Fees 0.30%. (Salomon Brothers Int'l. and Nikko Europe.)
Fixed-Coupons						
Austria	DM 1,000	2000	6⅞	101.4875	—	Reoffered at 99.9375. Noncallable. Fees 2%. (Westdeutsche Landesbank.)
First Austrian Bank	DM 150	2000	7	101.64	—	Noncallable. Fees 2%. (Commerzbank.)
Samsung Electronics	DM 300	2000	7½	101¾	—	Noncallable. Fees 2%. (Bayerische Bank.)
Suedwestdeutsche Landesbank Capital Markets	DM 500	2000	7	101⅝	—	Reoffered at 99⅞. Noncallable. Fees 2%. (Swiss Bank Corp.)
General Electric Capital Corp.	£100	1996	8⅛	100.975	—	Reoffered at 99.975. Noncallable. Fees 1⅛%. (Deutsche Bank.)
Catalonia	FF 1,500	2005	8¼	100.44	—	Reoffered at 99.815. Noncallable. Fees2%. (Société Générale.)
Depfa	FF 1,000	1997	7¼	100.84	—	Reoffered at 99.74. Noncallable. Fees 1¼%. (Crédit Commercial de France.)
DSL Bank	FF 1,000	1997	7¼	101.035	—	Reoffered at 99.91. Noncallable. Fees 1¼%. (Crédit Commercial de France.)
General Electric Capital Corp.	FF 1,500	1997	7¼	101	—	Reoffered at par. Noncallable. Fees 1⅛%. (Paribas Capital Markets.)
Usinor Sacilor	FF 1,500	2002	8½	99.24	—	Noncallable. Fees 0.375%. (Société Générale.)
Deutsche Bank Finance	ITL 75,000	1997	Zero	82.325	—	Yield 10.41%. Noncallable.Fungible with outstanding issue, raising total amount to 225 billion lira. Fees 1⅛%. (Deutsche Bank.)
Electricité de France	ITL 150,000	1998	11.40	101.205	—	Noncallable. Fees 1⅞%. (Paribas Capital Markets.)
Int'l Finance Corp.	ITL 150,000	1997	11¼	101⅛	—	Noncallable. Fees 1⅞%. (Paribas Capital Markets.)
Suedwestdeutsche Landesbank	ITL 150,000	1997	11½	100.895	—	Noncallable. Fees 1⅞%. (Paribas Capital Markets.)
Crédit Local de France	Aus$ 100	2005	10¼	101.77	—	Noncallable. Fees 2⅛%. (Hambros Bank.)
Fuji Finance	¥10,000	2005	4.90	100	—	Callable at par in 2000. Fees 0.30%. Denominations 1 million yen. (Fuji Int'l. Finance.)
Portugal	¥70,000	2002	4½	100	—	Noncallable. Fees 0.30%. (IBJ Int'L)
Equity-Linked						
Autobacs Seven Company	$100	1999	4⅛	100	—	Noncallable. Each $5,000 note with one warrant, exercisable into company's shares at 8,723 yen per share and at 98.10 yen per dollar. Fees 2¼%. (Nomura Int'l.)

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Mar. 3	Feb. 24	Ch'ge
DJ Indus.	3,989.61	4,011.74	—0.55 %
DJ Util.	190.09	194.77	—2.40 %
DJ Trans.	1,572.87	1,594.99	—1.39 %
S & P 100	453.30	455.83	—0.56 %
S & P 500	485.42	488.26	—0.58 %
S & P Ind	572.87	574.29	—0.25 %
NYSE Cp	263.29	264.86	—0.59 %
Britain			
FTSE 100	3,025.10	3,037.70	—0.41 %
FT 30	2,301.60	2,305.30	—0.16 %
Japan			
Nikkei 225	17,039.62	17,369.74	—1.90 %
Germany			
DAX	2,109.49	2,118.64	—0.43 %
Hong Kong			
Hang Seng	8,185.15	8,218.95	—0.41 %
World			
MSCIP	617.20	619.60	—0.39 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	Mar. 3	Feb. 24
Discount rate	5¼	5¼
Prime rate	9	9
Federal funds rate	5⅝	5⅝
Japan		
Discount	1¾	1¾
Call money	2.16	2.16
3-month interbank	2 3/16	2¼
Germany		
Lombard	6.00	6.00
Call money	4.95	4.95
3-month interbank	5.10	5.10
Britain		
Bank base rate	6¾	6¾
Call money	6.00	6⅝
3-month interbank	6 11/16	6 11/16

Gold	Mar. 3	Feb. 24	Ch'ge
London p.m. fix.$	377.25	377.75	—0.13 %

Euromarts

Eurobond Yields

	Mar. 3	Feb. 27	Yr high	Yr low
U.S. $, long term	7.81	8.02	8.39	7.81
U.S. $, mdm term	7.72	7.83	8.19	7.68
U.S. $, short term	7.12	7.22	7.90	7.11
Pounds sterling	9.27	9.24	9.34	9.19
French francs	8.02	8.02	8.18	8.02
Italian lire	11.33	11.12	11.33	11.07
Danish kroner	8.29	8.30	8.51	8.25
Swedish krona	10.45	10.45	10.62	10.22
ECU, long term	8.62	8.65	8.82	8.56
ECU, mdm term	8.22	8.23	8.46	8.19
Can. $	9.17	9.48	9.94	9.16
Aus. $	10.30	10.31	10.60	10.28
N.Z. $	9.15	9.17	9.42	9.10
Yen	4.08	4.09	4.31	4.08

Source: Luxembourg Stock Exchange.

Weekly Sales

Mar. 2

Primary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	1,269.20	836.40	1,337.50	1,832.50
Convert.	—	0.90	—	15.20
FRNs	104.60	195.00	1,221.60	289.70
ECP	11,018.90	4,824.80	9,346.70	5,246.10
Total	12,392.70	5,857.10	11,904.80	7,383.50

Secondary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	10,234.20	20,679.50	32,671.70	31,426.80
Convert.	306.80	395.10	1,331.80	1,289.70
FRNs	5,732.70	3,385.80	27,329.90	7,124.60
ECP	9,476.00	18,834.80	11,861.40	27,684.20
Total	25,749.70	43,295.20	73,194.80	67,525.30

Source: Euroclear, Cedel.

Libor Rates

Mar. 3

	1-month	3-month	6-month		1-month	3-month	6-month
U.S. $	6⅛	6¼	6 7/16	French franc	6 7/16	6⅝	6¾
Deutschemark	5	5¼	5 5/16	ECU	6¼	6⅜	6⅝
Pound sterling	6½	6¾	7 3/16	Yen	2 5/16	2 5/16	2 5/16

Sources: Lloyds Bank, Reuters.

CYBERSCAPE

Netscape Is Capitalizing On Its Map of the Highway

By Peter H. Lewis
New York Times Service

NEW YORK — It would seem to be a bonanza for Netscape Communications Corp. Only a few months after releasing its first software, the company seems to be the run-away leader in a field with growth rates not seen since the early, heady days of the personal computer business.

The frenzy involves so-called browser software — programs that enable Internet users to navigate the phenomenally popular multimedia service known as the World Wide Web. Although other browsers are available, Netscape's Navigator software has emerged as many people's browser of choice.

The Navigator helps World Wide Web users find home.

More than 3 million copies of Netscape Navigator have been distributed since December.

People use the software to visit any of thousands of sites and so-called home pages, such as CBS's "Late Night With David Letterman" home page or the new the Web site from Ragu Spaghetti Sauce, called Mama's Cucina.

"I'm astonished; I've never seen anything like this in my life," said James Clark, the 51-year-old chairman of privately held Netscape, which is based in Mountain View, California. He was referring to the popularity of the program, not its profitability. Mr. Clark, who last year left Silicon Graphics Inc., which he founded, to start his new company, cannot be assured of financial success with this venture. So far, the bulk of Netscape's software has been given away.

There is fierce competition even within this give-away market, with Netscape Navigator taking on its main rival, a program called Mosaic that is licensed by Spyglass Inc., and browsers from a handful of other companies.

It is all part of the pressure to control the browser market, where whoever achieves dominance has a good chance to set standards for this increasingly key component of doing business on the Internet.

Netscape's business plan is essentially a reversal of the venerable marketing strategy of giving away safety razors to sell blades. Although people who want customer support from the company can pay $39 for the privilege, most users so far have simply downloaded Netscape Navigator from the Internet at no charge.

Netscape is basically giving away the consumer versions of its program — the blade — in the hope of profitably selling and servicing the razors. The razors in this case include versions of Navigator for companies operating sites on the World Wide Web. These server versions of Navigator cost $1,500 to $5,000 and companies operating Web sites might typically buy 20 or more copies.

Other business opportunities include selling Navigator's software technology to other companies to fold into their own software or network services.

The coming months will be crucial for Netscape as it attempts to consolidate its lead in blades while building up its razor business.

Cyberscape Address: CyberScape@iht-lib.demon.co.uk

Austria Set To Defy EU With U.S. Air Accord

Bloomberg Business News

TOULOUSE — An official at Austria's Transport Ministry said Sunday the government would defy European Union wishes and sign an "open skies" agreement with the United States later this week.

The ministry official, Gerhard Stadler, said that an Austrian delegation would travel to Washington on Monday to complete the deal. "We will definitely sign this week," he said.

Open-skies agreements permit airlines to operate in each other's territory with minimal restrictions. Such accords were announced last week by Belgium and Luxembourg.

The European Commission opposed bilateral aviation pacts and has said it would challenge their legality.

The commission wants to negotiate on behalf of all EU member states in the belief that European airlines will get a better deal that way. Austrian officials said the EU has no such power.

"I don't think the EU has a mandate for this," Mr. Stadler said. He said Austria could not wait for the EU to go through the process of getting agreement from all member states. "There's a danger we're going to be left out," he said.

Washington took the initiative in seeking agreements and offered to negotiate with Belgium, Finland, Austria, Luxembourg, Sweden and Denmark in January. America hopes that by securing agreements with small EU countries, it can force open larger European markets, such as France and Germany.

Down to the Wire in Barings Bid

Compiled by Our Staff From Dispatches

LONDON — ABN-AMRO Holding NV and Internationale Nederlanden Groep NV were locked in talks on Sunday to pick up the pieces of the shattered Barings PLC, which collapsed a week ago under the weight of $1 billion in losses blamed on a maverick Singapore-based trader.

"The negotiations are ongoing," a spokesman for Ernst & Young, the court-appointed administrators of Barings said. "There are two parties in the frame."

ING began exclusive talks with Barings administrators on Thursday over a possible buy-out of "virtually all" the bank's assets and liabilities, after it collapsed when the 28-year-old British dealer Nicholas W. Leeson bet a fortune that Japanese and other Asian financial markets would push ahead.

ING tentatively offered a symbolic £1 ($1.60), but would have to assume hundreds of millions in liabilities to acquire what's left of Barings.

"If the losses aren't clear, we won't make a bid," Ruud Polet, an ING spokesman, said Sunday. "There are no sanctions if we don't make a bid today."

While ING scrutinized Barings to make sure there were no hidden surprises, its exclusive right to buy the bank expired Friday night. That left an opening for ABN to launch its bid, which it did with Smith Barney, Shearson Inc.

ABN has not commented on the specifics of its bid, but it has been widely reported that ABN wants Barings's corporate finance division and Smith Barney wants Baring Securities.

Barings would give a big boost to ABN's international profile. The bank's top management arrived in London hours after the Bank of England began searching for buyers last week.

An ING spokesman said his bank was the only candidate in line to buy all of Barings. He added that the administrators of Barings preferred to see a wholesale takeover.

"The bank will not be carved up until the first option has been finally exhausted," the spokesman said, referring to the effort to keep all the elements of the bank together in the sale.

ING has a reputation for innovation and a keen eye for a bargain, but its plan to buy Barings was its boldest bid yet.

Formed from a 1991 merger between insurer Nationale Nederlanden with bank NMB Postbank, ING's banking arm is smaller than ABN AMRO.

But ING has shown that it can walk away if a deal is not to its liking. Plans to merge with Belgium's Banque Bruxelles Lambert in 1992 collapsed at the last minute because ING decided the asking price was simply too high.

Barings is appealing to ABN and ING because both are looking to expand outside the Netherlands, preferably by buying international banks with asset management operations. Their balance sheets combined are larger than last year's Dutch gross domestic product of 600 billion guilders ($373 billion).

Time is of the essence. The longer talks at the London headquarters of Barings drag on, the greater the risk that its staff of 4,000 — the bank's most valuable asset — will jump the sinking ship.

"I'm hoping," said Barings director Ron Baker, still struggling to work out how the 233-year-old pillar of the banking establishment, which helped to finance the British empire, could be brought to its knees within a few weeks by the reckless gambling of a single trader. *(Reuters, AFP, AP, Bloomberg)*

Amadeus To Add U.S. Arm

Continental Air Joins European Booking System

Bloomberg Business News

BERLIN — Amadeus, Europe's largest flight reservation system, will acquire System One from Continental Airlines, creating the world's largest computerized flight reservation network, a Lufthansa executive said Sunday.

Amadeus, which is jointly owned by the largest carriers of Germany, France and Spain, refused to disclose terms of the acquisition, which would give the U.S. airline partial, but not equal ownership, in the expanded network.

Hemjoe Klein, a management board member of Lufthansa AG, announced the transaction, which he described as a merger, at a travel industry convention.

The deal will create a computerized flight reservation network with 88,500 terminals in Europe and the United States. In 1994, the two networks booked 260 million flights through 31,600 travel agencies, Mr. Klein said.

The move reinforces the increasing global nature of airline competition and will give the three European lines vital access to the United States, the world's biggest travel market.

System One, which booked 80 million flights in 1994, is the third-largest computerized flight reservation system in the United States. Its network consists of 31,500 computer terminals at 8,900 travel agencies.

Amadeus booked 180 million flights last year through 57,000 computer terminals at 22,700 travel agencies across Europe.

The merger, which would take effect in 1996, depends upon approval from the executive boards of the four airlines, Mr. Klein said.

The announcement was made as Lufthansa said operating revenue from passenger services rose 4.8 percent in 1994 as the number of passengers rose 4.1 percent.

"I can safely say that Lufthansa, at the very least, broke even in 1994," Mr. Klein said, echoing the airline's prediction that it would return to profit in its first year after being sold to investors by the German government.

He said that Lufthansa's available passenger capacity, a measure of the size of its fleet, rose 4.8 percent in 1994.

German Employers to Make Offer

Reuters

MUNICH — Bavaria's metalworking companies said over the weekend that they would make a firm pay offer to IG Metall, the largest German union, when wage talks resumed on Monday.

Rainer Hildmann, chief negotiator for the Bavarian industry chiefs, said "a concrete wage offer" would be made to the union, but he refused to specify how much money would be proposed.

About 20,000 workers are currently on strike across Bavaria, affecting such industrial giants as Siemens AG, in an action that began nearly two weeks ago after employers refused to make a firm pay offer in response to IG Metall's 6 percent wage claim and insisted the union discuss cost-cutting measures.

The strike has so far remained localized at 33 plants, but the union has threatened action throughout the country if employers stand by their promise to lock out workers unless an accord is reached. IG Metall said Friday it was scaling back its strike action to 30 plants as a sign of goodwill ahead of the Monday talks.

If there is no breakthrough at the Monday talks, the union said it would decide on Wednesday whether to escalate the action.

Mr. Hildmann said he expected the talks to be difficult. "If we haven't finished talks on Wednesday, I would consider that very alarming," he said.

Pressure is mounting for a swift resolution to the conflict after chemical-sector wage talks stalled last week with both sides saying they were waiting for a benchmark accord from the metalworkers' industry to serve as a guide.

In addition, Herbert Mai, head of the union of public sector workers, said Saturday that his union, one of the larger unions and more active unions in the country, would align its wage demands this year to any metal-industry deal.

Mercedes Says Detroit Sets Pace

By James Bennet
New York Times Service

DETROIT — The U.S. automakers, led by Ford Motor Co., have surpassed Toyota Motor Corp. to become the most efficient auto manufacturers in the world, said the chief of the car operations for Germany's Mercedes-Benz AG.

The Big Three U.S. auto companies routinely say that Toyota's operations set the standards, or benchmarks, for them as they try to increase productivity. But the Mercedes executive, Jürgen Hubbert, said he no longer looked to Japan for guidance, as he did in the 1980s.

"Now, Detroit is the benchmark," said Mr. Hubbert, the member of Mercedes' management board responsible for passenger cars.

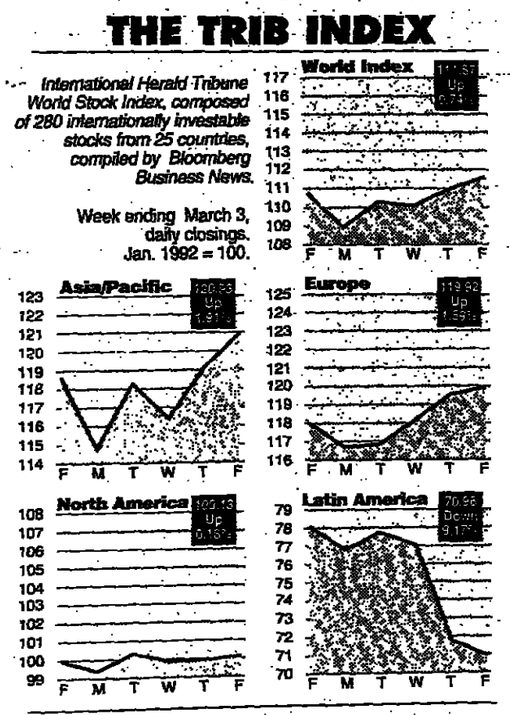
Asked which of the Big Three he considered the best, he singled out Ford.

Mercedes is applying techniques learned from Ford to its worldwide operations, as well as to the assembly plant it is building in Tuscaloosa, Alabama, said Mike Jackson, executive vice president at Mercedes-Benz of North America.

THE TRIB INDEX

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News.

Week ending March 3, daily closings. Jan. 1992 = 100.



Industrial Sectors/Weekend close

	3/3/95 close	2/24/95 close	% change		3/3/95 close	2/24/95 close	% change
Energy	113.64	114.11	−0.41	Capital Goods	113.18	110.88	+2.07
Utilities	112.21	113.19	−0.87	Raw Materials	130.13	131.21	−0.82
Finance	111.89	110.74	+1.04	Consumer Goods	106.90	105.43	+1.39
Services	107.24	106.66	+0.54	Miscellaneous	115.36	116.88	−1.30

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

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A Frenchman Cashes In on Hollywood

By Thomas Crampton
Special to the Herald Tribune

SMALL BUSINESS

MALAKOFF, France — Denis Auboyer loves foreign films.

In fact, unlike most of his colleagues in the French film industry, he would not mind seeing American films in every cinema — as long as Laser Vidéo Titres is in charge of all the subtitles.

Thanks to his faith in innovation, Mr. Auboyer owns a laser subtitling business with annual sales of 70 million francs ($14 million) and more than 80 employees. To get there, the manager-turned-entrepreneur bucked the establishment and won big.

Ten years ago, Mr. Auboyer managed 25 employees in the subtitling department of LTC, a film processing company. But now, LTC no longer subtitles films, and Laser Vidéo Titres claims a 60 percent market share of the business in France.

Laser Vidéo Titres owes its success to a new method of burning subtitles onto film with a laser. Previously, subtitles were applied using a chemical bath that often damaged the films.

The subtitles produced by Laser Vidéo Titres are not only easier to read than the old method — which makes audiences happy — but they are also easier to position and edit — which makes directors happy.

The film director Roman Polanski derided the old method of subtitling as relying on the same 17th-century technology Rembrandt used for etching.

Mr. Polanski, who used Laser Vidéo Titres to subtitle his three latest films, including "Death and the Maiden," raved that the company's technique gave him greater control over the subtitles. "You can shorten them, correct them, move them on the film to make one line into two," he said.

Laser Vidéo Titres made its big splash by subtitling Clint Eastwood's "Bird" for the 1988 Cannes film festival. "While this was not our first film, we consider it one of the most important for our reputation," Mr. Auboyer said. "At the time the lasers weren't used like they are today, so to use them was, I won't say ambitious, as that sounds pretentious, but it wasn't obvious in any case."

At first the laser presented its own problems. When too strong, it burned through both the emulsion and the film.

When properly adjusted, however, the laser's burn turned out to be one of its greatest strengths: The subtitles did not wash out on white backgrounds.

"It is like if you have a cigarette and a piece of white paper," Mr. Auboyer explained. "You make a hole in the paper with the cigarette and around it there is a black circle. This is what we have around the subtitles, so you can see them even when the background is white."

Since the laser is controlled by a computer, a full simulation of the subtitled film can be viewed on videotape before burning any emulsion. The text can also be edited up to the last minute.

To take full advantage of the editing capabilities, Mr. Auboyer set up a subsidiary of Laser Vidéo Titres in New York's TriBeCa Film Center, where directors can see a simulation of subtitles and send changes, via modem, directly into the computers at the headquarters of Laser Vidéo Titres, near Paris.

By the 1980s the subtitling process was ripe for change.

"It was pretty much a huge step in subtitling," Lori Rault, technical manager of Warner Brothers Transatlantic, said of Mr. Auboyer's laser subtitles. She also noted that while he was one of the first to develop laser subtitles, the process has since been copied by others.

The first step in film subtitling, then as now, is to count the number of frames per scene. Translators write subtitles at a length of two frames per letter.

With the old method, the film was dipped into a protective parafin bath. The subtitles, which had been cast into miniature zinc strips, were mechanically impressed onto each frame, much like a rubber stamp. There was no way of knowing if the imprint had worked until after the next step: the bleach bath.

The bleach washed away the parts of the film's emulsion not protected by parafin — theoretically only those places stamped by the zinc strips. The result was white subtitles on the projected film.

In practice, however, the process had many shortcomings: bubbles in the parafin bath would leave random white dots of 'snow' on the screen and in the soundtrack; the zinc strips would remove too little or too much parafin, and if there was a mistake, even early in the process of stamping the subtitles, the entire reel of the film was ruined.

With the laser system, once a first copy is made, the risk of destroying film virtually disappears.

Of the 1,700 films that Laser Vidéo Titres subtitled last year, the majority were for French audiences. But France is by no means the company's only market.

"We subtitle into all the European languages, Arab, the Cyrillic languages, Chinese and soon even Japanese and Korean," Mr. Auboyer said.

The Chinese subtitling proved particularly difficult because Laser Vidéo Titres had to develop software to guide the laser to make 6,500 ideograms. Fortunately, the hard work paid off when the company sold an entire subtitling system to China.

CURRENCY RATES

Mar. 3

Cross Rates

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.687	2.6084	1.2214	0.3185	8.97 *	—	5.443 *	1.3254	1.7858 *	1.1483	1.2854 *
Brussels	29.915	46.185	21.6575	5.6485	1.7915 *	18.373	—	24.3875	31.747	21.35	22.545 *
Frankfurt	1.4513	2.234	—	0.2645	0.8322 *	0.8518	4.654 *	1.18	1.5301 *	1.0242	1.126 *
London (a)	1.6243	—	2.2277	0.2383	2.6343.425	2.4471	48.872	1.9786	153.355	2.2756	285.75
Madrid	128.843	206.96	98.336	25.189	7.404 *	78.781	4.2808	164.227	134.884 *	91.394	—
Milan	1,671.00	2,686.35	1,153.00	297.88	—	1,029.75	55.90	1,359.55	77.594	1,190.27	13,853
New York (b)	—	1.6295 a	1.4226	5.017	1,671.00	1.5765	29.36	1.201	94.135	1.4868	174.85
Paris	5.0915	8.2045	3.5181	—	9.8865 *	3.1376	6.1708	4.151	5.3724 *	3.6399	3.99 *
Tokyo	95.45	154.07	66.19	18.81	5.622	59.84	3.216	78.77	—	68.18	8.75
Toronto	1.4868	2.3944	0.9575	0.2804	0.884 *	0.8011	0.4700 *	1.1773	1.4642 *	—	1.114 *
Zurich	1.2125	1.9664	0.8461	0.2478	0.8733 *	0.253	4.1424 *	—	1.2873 *	0.865	0.9554 *
1 ECU	1.2979	0.8028	1.5726	4.6879	2.149.24	2.8897	38.5785	1.5871	122.624	1.8899	168.114
1 SDR	1.5846	0.9363	2.1845	7.8027	2.506.43	2.4486	45.8047	1.8531	143.726	2.2037	192.553

Closings in Amsterdam, London, Milan, Paris, New York, Toronto and Zurich, fixings in other centers.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	1.00	Greek drac.	237.10	Mex. peso	6.01	S. Afr. rand	3.5745
Austral. $	1.3547	Hong Kong $	7.7317	N. Zealand $	1.5699	S. Kor. won	798.59
Austr. schil.	10.197	Hung. forint	111.54	Norw. krone	6.404	Swed. krona	7.2204
Brazil real	0.85	Indian rupee	31.395	Phil. peso	26.64	Taiwan $	26.32
Chinese yuan	8.4299	Indo. rupiah	2214.00	Polish zloty	2.43	Thai baht	24.92
Czech koruna	26.88	Irish £	0.6263	Port. escudo	150.49	Turkish lira	41475.
Danish krone	5.761	Israeli shek.	2.9641	Russ. ruble	4531.00	UAE dirham	3.671
Egypt. pound	3.392	Kuwaiti dinar	0.2974	Saudi riyal	3.75	Venez. bolIv.	169.87
Fin. markka	4.477	Malay. ringg.	2.5498	Sing. $	1.4462		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6106	1.6100	1.6094	Canadian dollar	1.3980	1.3959	1.3940
Deutsche mark	1.4471	1.4457	1.4443	Japanese yen	94.59	94.27	93.95
Swiss franc	1.2238	1.2211	1.2190				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banco Commerciale Italiana (Milan); Agence France-Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Bloomberg, Reuters and AP.

Home-Grown Movies Wilt in French Market

The Associated Press

PARIS — French films claimed less than 30 percent of their home market last year for the first time in decades, the National Center for Cinematography said over the weekend.

French movies drew 27.8 percent of the total viewing audience of 126.3 million, the center said in a communiqué made available Saturday. U.S. films took 60 percent, up from 57 percent in 1993, and other foreign films 12.2 percent, up from 7.7 percent.

French films have not been as unpopular in their home country since before World War II. They claimed a 35 percent market share in 1993. Last year's decline came despite French government support of the industry with an 11 percent tax on movie tickets to aid film production.

The center attributed the slide to the lack of French blockbusters such as "Les Visiteurs" and "Germinal" of 1993.

The British film "Four Weddings and a Funeral" was primarily responsible for popularity of non-U.S. foreign films. The movie was the No. 1 box office draw in France last year.

For all films, box office revenue nationwide totaled 4.3 billion francs ($843.2 million), with the highest number of movie-goers since 1987, said the communiqué, which was dated Tuesday.

Paris has been fighting to persuade its European Union partners to adopt a protectionist policy on television programming. U.S. films account for about 80 percent of the box office in Europe.

The center said 1995 "should be clearly more positive" for French film, considering the current success of several movies, including "Un Indien dans la Ville," ("An Indian in the City"), "Elisa," and "Gazon Maudit" ("Cursed Lawn").

India Cracks Ring That Forged Stocks

Compiled by Our Staff From Dispatches

NEW DELHI — The arrest of nine men linked to a multi-million-dollar stock forgery scheme is bound to shake investor confidence in India's booming stock market, officials said Sunday.

Police arrested the men over the past week for allegedly stealing stock certificates in 185 companies and banks, forging new shares and selling them to unsuspecting buyers.

"This is a serious matter as it is going to create problems in the minds of investors as to whether they are holding genuine or fake shares," said R.K. Pandey, executive director of the Delhi Stock Exchange.

Mr. Pandey said the scandal was the biggest uncovered in Indian markets since free-market reforms were initiated in 1991.

Police seized nearly 780,000 share certificates worth more than 10 million rupees ($3 million) from six brokers and a computer operator, said Qamar Ahmed, deputy commissioner of police.

Two postal workers also were arrested. Investigators said the mailmen intercepted the share certificates and handed them to brokers, who altered and resold them for about one-fourth their market values.

The group also forged shares, affixing fake signatures and company seals, and sold them on the stock market.

The police were tipped off after a brokerage received several premium shares of Dabur India Ltd., including many that bore the signature of one of its top executives, who denied selling his shares.

The arrests were made after an undercover police officer bought 400 stolen shares from Sanjay Mittal, one of those arrested.

In addition to Dabur India, police said the companies whose shares were forged by the group included Associated Cement Co., Reliance Industries Ltd. and Unit Trust of India.

Mr. Pandey said investors would not suffer losses because brokerages would have to replace any fake shares they might have sold.

"It is too bad such crimes are on the increase," Mr. Pandey said. "If the volume is aggravated, the situation will take a serious turn."

(AFP, Reuters, AP)

The Week Ahead: World Economic Calendar, March 6 - March 11

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News

Asia-Pacific

● **March 6 Canberra** Parliamentary commmee holds a preliminary public hearing to evaluate the strength of government regulations of futures and derivatives trading at the Sydney Futures Exchange.
Tokyo Imported auto sales.
Taipei February consumer and wholesale price index.
Earnings expected First Pacific.
● **March 7 Sydney** Reserve Bank of Australia monthly board meeting
Wellington Fourth-quarter producer price index.
Taipei February trade statistics
Bangkok International Organization of Securities Commissions annual emerging markets committee meeting. Through Saturday.
Earnings expected Florens Group, JF Asia Select.
● **March 8 Sydney** Australian Investment Managers' Association 1995 annual conference. Through March 9.
Hong Kong The 12th Hong Kong international jewelry show. Through March 11.
New Delhi Agri Expo '95, a week-long exhibition of agricultural products, machinery and trade to begin.
Tokyo Bank of Japan Governor Yasuo Matsushita holds a news conference.
Tokyo Three-day Multimedia Communications/National Information Infrastructure USA '95 exhibit to be held at the U.S. Trade Center.
Kuala Lumpur Last day to apply for shares in Hotline Furniture Bhd.'s 8.55 million-share offering at a per-share price of 3 ringgit.
Singapore Fortune Magazine's Global Forum to convene. Speakers include Prime Minister Benazir Bhutto of Pakistan; former Prime Minister Margaret Thatcher of Britain; Governor Chris Patten of Hong Kong; Boeing's chairman, Frank Shrontz; Daewoo's chairman, Kim Woo Choong; Lester Thurow, the economist; and Senior Minister Lee Kuan Yew of Singapore.
● **March 9 Sydney** Quarterly balance of payments figures.

Canberra U.S. economist and social critic Glenn Loury to address National Press Club on American social, economic and cultural problems.
Hong Kong New Zealand Finance Minister Bill Birch speaks on opportunities in New Zealand.
Earnings expected AAPC, BTR Nylex, Hongkong Electric Holdings, Liu Chong Hing Investment
● **March 10 Kuala Lumpur** Last day to apply in civil engineering company Cygal Bhd.'s 4.9 million-share offering at a per-share price of 3.40 ringgit.

Europe

● **Expected this week Madrid** January current account.
Rome January M-2, measured on a 3-month average. Forecast: Up 2.9 percent.
Zurich Fourth-quarter real gross domestic product. Forecast: Up 2.5 percent.
Frankfurt February cost of living. Forecast: Up 0.3 percent in month, up 2.3 percent in year.
Frankfurt January retail sales. Forecast: Up 0.4 percent, down 0.8 percent in Western Germany.
Zurich February unemployment rate. Forecast: 4.5 percent.
● **March 6 Earnings expected** Generale de Banque, Smith & Nephew
● **March 7 Frankfurt** February unemployment data.
Stockholm January producer price index. Forecast: Up 6.4 percent.
● **March 8 Copenhagen** December trade balance, excluding ships. Forecast: 3.2 billion-kroner surplus. Also, December current account.
Stockholm January trade balance. Forecast: 8.1 billion-kroner surplus.
Madrid Fourth-quarter gross domestic product. Forecast: Up 2.6 percent.
Earnings expected Asea Brown Boveri, BAT, Cadbury Schweppes, Commercial Union, Ladbroke, Novo Nordisk, RTZ, Standard Chartered, Volvo.
● **March 9 Earnings expected** ABN Amro, Arjo Wiggins Appleton, BTR, Enterprise Oil, Ericsson, GKN, Rolls-Royce.
● **March 10 Amsterdam** February consumer price index. Forecast: Up 0.5 percent in month, up 2.4 percent in year.
London December merchandise trade. Forecast: Deficit of £1.25 billion.
Oslo February consumer price index. Forecast: Up 0.5 percent in month, up 2.8 percent in year.
Paris February consumer price index. Forecast: Up 0.3 percent in month, up 1.7 percent in year.
Stockholm February unemployment rate. Forecast: 7.9 percent.

Americas

● **March 6 Palo Alto, California** Hewlett-Packard Co. and Computer Associates International hold teleconference.
Washington January housing completions.
St. Petersburg, Florida Raymond James & Associates Inc. host 16th annual Institutional Investors' Conference at the Don CeSar Beach Resort.
Washington Institute of International Bankers annual conference. Speakers include Alan Blinder, vice chairman of the Federal Reserve Board. Through March 7.
● **March 7 Minneapolis** Network Systems Corp. shareholders vote on a merger with Storage Technology Corp.
Washington Senate Finance Committee hearing on a proposal to end tax breaks for companies that sell broadcast businesses to minority-owned businesses.
Washington House Banking Committee hearing on banking law, including proposals to overhaul the Glass-Steagall Act.
Washington House Banking oversight subcommittee hearing on the role of deficit-reduction efforts and productivity in economic forecasting.
Sao Paulo February inflation. Outlook: About 1 percent.
Caracas Finance Minister Luis Raul Matos Azocar expected to present long-term plan for rehabilitating the nation's banks.
● **March 8 New York** Compaq Computer Corp. unveils new Proliniea computer line.
Washington The National Semiconductor Industry Association releases book-to-bill ratio for March.
Washington Senate Foreign Relations subcommittee hearing on intellectual property rights in China.
Washington The Federal Reserve Board chairman, Alan Greenspan, to testify at the House Banking oversight subcommittee hearing on the role of deficit-reduction efforts and productivity in economic forecasting.
● **March 9 Washington** Commerce Department reports January wholesale trade.
Washington Senate aviation subcommittee hearing on the new Denver Airport.
● **March 10 Washington** House Banking subcommittee hearing on operations at the Resolution Trust Corp.
Washington February unemployment report and change in nonfarm payrolls.
Earnings expected Hudson's Bay Co.

SHORT COVER

Sony and Texas Instruments Link Up

TOKYO (AFP) — Sony Corp. and Texas Instruments Inc. plan to jointly develop a next-generation television image display system, which will replace cathode-ray tubes or liquid-crystal displays now widely used in television sets.

According to the Nihon Keizai newspaper, the core of the new device, called "digital micromirror display," will be a semiconductor chip, called "mirror device," which was developed by Texas Instruments.

The surface of the two-centimeter (0.8 inch) mirror device contains 400,000 mirror-like elements that control optical signals from a light source and project images. Sony and Texas Instruments plan to start commercial production in 1996 for sales in Japan, the United States and European countries.

California City Sues Merrill Lynch

IRVINE, California (Bloomberg) — The city of Huntington Beach, California, sued Merrill Lynch & Co., alleging it was defrauded by the securities broker through its participation in the Orange County investment pool.

The city had $43.6 million invested in the pool, which filed for Chapter 9 bankruptcy court protection on Dec. 6 along with Orange County. The investment pool filed for protection after it lost $1.69 billion in value because of risky investments made by the former county treasurer, Robert Citron.

The city charges Merrill Lynch never warned participants about the pool's high-risk investments. The suit seeks class-action status to represent 31 Orange County municipalities that invested in the pool.

Airbus Seeks 50% of Plane Market

TOULOUSE (Bloomberg) — Airbus Industrie said Sunday it was confident it would capture 50 percent of the world's aircraft market within 10 years.

"I don't see any reason why we shouldn't get at least half of that market in five to 10 years," said Volker von Tein, chief operating officer of plane manufacturer.

He said that Airbus's current market share was about 30 percent. "There is no doubt that, in the long run, we want to be on par with Boeing," he added. In the past year, Airbus won 125 new orders, compared to 111 orders for Boeing Co. of the United States, the world's biggest planemaker.

Minimum Wage to Rise in Brazil

BRASILIA (Reuters) — President Fernando Henrique Cardoso has promised to raise Brazil's monthly base wage to the equivalent of $100 from the current $85 to match inflation.

In a weekend interview broadcast by Globo television, Mr. Cardoso said the minimum salary would rise in May.

He also refused to set a date for the sale of the state mining company, Companhia Vale do Rio Doce, but said privatization of state-owned companies would be done "in stages."

Hong Kong Police Chase Hackers

HONG KONG (Reuters) — Hong Kong police searching for computer hackers closed down most of the colony's Internet providers, cutting up to 10,000 people off from the computer superhighway, industry sources said on Sunday.

Only one dedicated commercial gateway to the internet was left operating, they said. A Hong Kong government spokesman confirmed the police's commercial crime bureau had raided eight providers.

For the Record

China Steel Corp., the biggest steelmaker in Taiwan, said strong demand lifted its pretax profit rose to 1.32 billion Taiwan dollars ($50 million) in February, up 175 percent from a year earlier. *(Bloomberg)*

SPORTS

North Carolina Beats Duke, Extends a Top-3 Conference Streak to 31 Years

The Associated Press

North Carolina, which can still finish in a four-way tie for first place in the Atlantic Coast Conference, stands by itself as far as one of college basketball's most impressive streaks goes.

Jerry Stackhouse scored 24 points and Donald Williams 21 as the No. 2 Tar Heels beat Duke, 99-86, and kept alive their chance of winning the ACC title. The victory also extended one of college basketball's most impressive streaks.

The fifth straight victory over Duke assured the Tar Heels of finishing no worse than third in the league for the 31st consecutive season.

"Fortunately, there haven't been many threes, a lot more one and twos," the Tar Heels' coach, Dean Smith, said of the streak in what is traditionally one of the country's toughest conference. "I guess it could have ended with a loss here or we could be third if Virginia beats Maryland, or could it? As you can see, I'm really caught up in it. It's something the players who played here should be proud of."

COLLEGE HIGHLIGHTS

Duke tied a school record for losses in a season and is 3-14 since its coach, Mike Krzyzewski, took a leave of absence to recover from back surgery.

Trajan Langdon led Duke with 23 points.

No. 4 Connecticut 75, Miami 67: At Miami, Connecticut overcame the ejection of coach Jim Calhoun — who was whistled for two technical fouls — and beat Miami to become the first team to win consecutive Big East Conference titles.

Kevin Ollie's basket and assist on consecutive possessions helped Connecticut pull away in the final two minutes. Ollie finished with 16 points.

No. 5 Kentucky 127, LSU 80: Tony Delk scored 27 points and Kentucky, playing at home, buried LSU with a season-high 20 baskets from 3-point range in handing the Tigers their second-worst loss ever. Kentucky inflicted most of its long-range damage in the first half, making 12 of 18 three-pointers in building a 63-36 advantage. Delk made five of six and had 21 points.

No. 7 Arkansas 68, Auburn 66: Corliss Williamson scored seven points in slightly more than two minutes and Elmer Martin made three free throws in the final 20 seconds as No. 7 Arkansas rallied at home from 15 points down to edge Auburn and earn a share of the SEC Western Division title.

No. 9 Wake Forest 83, North Carolina St. 68: In Winston-Salem, North Carolina, Randolph Childress closed out his regular season with 21 points and a career-high 10 rebounds to lead Wake Forest over North Carolina State.

Providence 71, No. 11 Villanova 70: Providence, playing at home, pulled off its second upset of the week as Troy Brown's free throw with 14 seconds left gave the Friars a 71-68 lead. Villanova's Alvin Williams hit two free throws with seven seconds remaining to cut the lead to the final margin. Jonathan Haynes had a chance to win the game, but his 10-foot jumper from the right side missed.

No. 12 Arizona 63, Washington 54: In Seattle, Damon Stoudamire scored 26 points and the NCAA tournament-bound Wildcats bounced back after letting a 20-point lead get away in the second half.

No. 14 Mississippi St. 71, No. 21 Alabama 67: Darryl Wilson scored a career-high 35 points as Mississippi State, playing at home, beat No. 21 Alabama to complete a 20-win regular season and capture a share of the Southeastern Conference Western Division title. Wilson set a school record with eight 3-pointers, and his two free throws with 11 seconds left put the game out of reach for the Bulldogs.

Washington St. 84, No. 15 Arizona St. 71: In Pullman, Washington, Dominic Ellison scored 19 of his career-high 30 points in the second half as Washington State overcame an early deficit to upset No. 15 Arizona State.

No. 19 Missouri 83, No. 16 Oklahoma 81: Paul O'Liney hit a leaning 15-foot jumper with 1.5 seconds left in overtime as Missouri ended Oklahoma's run of four consecutive victories over ranked opponents. O'Liney also forced overtime by making two free throws with 3.1 seconds to go, capping a 10-3 run in the final two minutes for Missouri, who were on their home court.

No. 17 Purdue 69, Illinois 56: Cuonzo Martin scored 29 points and Purdue, playing on the road, moved a half game ahead of Michigan State in the Big Ten race. The Illini need victories in their final two games against lowly Northwestern and Ohio State to nail down an NCAA tournament berth.

Oregon 89, No. 20 Stanford 80: In Eugene, Oregon, Orlando Williams scored 25 points, making five of six free throws in the final 1:35, and Oregon enhanced its chances for its first NCAA tournament appearance in 34 years by upsetting No. 20 Stanford. Kenya Wilkins added 21 points and made nine of 10 free throws down the stretch for the Ducks.

Oregon sank 18 of 20 free throws in the final six minutes.

No. 22 Syracuse 90, Boston College 62: Michael Lloyd scored 26 points as the Orangemen won for just the third time in their last nine games.

Syracuse, coming off conference losses to Georgetown and St. John's, made 12 3-pointers to tie a team record set in 1992 against Notre Dame.

Wright St. 71, No. 25 Xavier, Ohio 70: Delme Herriman took a full-court pass thrown with 1.1 seconds left and sank a turnaround jumper at the buzzer as Wright State pulled off an upset in the quarterfinals of the Midwestern Collegiate Conference tournament.

Xavier lost to a conference team for the first time all season.

NASDAQ NATIONAL MARKET

Consolidated trading for week ended Friday, March 3.

(Continued)

Cejka Wins Andalucia For First Tour Victory

The Associated Press

LEPE, Spain — Alexander Cejka of Germany shot 2-under-par 69 Sunday to win the Andalucia Open for his first European PGA victory.

The 24-year-old Czechoslovakia-born golfer finished three strokes ahead of Constantino Rocca of Italy and five ahead of Ireland's Paul McGinley and Wayne Riley of Australia.

Cejka, who carded five birdies and three bogies on the par-71, 6,667-yard (6,116-meter) Islantilla Golf Club course, said, "I played solid, hit some very good shots, and with a few shots clear, *I felt it was done.*"

Anders Forsbrand, who Saturday set a course record of 64, shot 75 to tie for fifth with fellow Swede Olle Karlsson.

U.S. Masters champion Jose Maria Olazabal, in his first tournament since undergoing foot surgery Jan. 31, shot 70 to finish ten strokes off the pace.

• Peter Jacobsen, a two-time winner this year, gave himself a 41st birthday present of a superlative 64 and was tied with Greg Norman going into the final round of the Doral-Ryder Open in Miami.

Jacobsen birdied five holes in a row, did not make a bogey and did not have a "5" on his card. Norman tied Jacobsen with birdies on the 17th and 18th holes to shoot a third-round 65. They had a three-shot lead over Nick Faldo and second-round leader Davis Love III.

Scott Verplank, who had been tied for the lead after one round, took himself out of contention with a 76 that was followed by a 70.

SIDELINES

Baseball Talks Bog Down Again

SCOTTSDALE, Arizona (WP) — Major league baseball's contract talks seemed stalled yet again after both team owners and striking players made tax-rate proposals the other side ridiculed.

Those setbacks came a day after the union accepted the owners' revenue-sharing plan and expressed a willingness to be flexible in formulating a system for taxing player payrolls. It was uncertain whether negotiations would continue Sunday.

Johnson Resets 400-Meter Mark

ATLANTA (AP) — Michael Johnson obliterated his world indoor record in the 400-meter run, clocking 44.63 seconds Saturday at the USA-Mobil Indoor Championships to break the mark of 44.97 he set last month in Reno, Nevada.

• Mihaela Melinte of Romania set a world record in the women's hammer with a throw of 66.86 meters (219 feet, 4 inches) in Bucharest; that broke the mark of 66.84 meters set by Olga Kuzenkova of Russia 1994.

For the Record

FIFA said that it would experiment with timeouts, two per team, in either an under-17 or under-20 championship or at the Olympics in Atlanta. *(AP)*

Tim Grgurich resigned as UNLV's basketball coach, lasting less than five months after being hastily hired to replace Rollie Massimino; he was hospitalized Jan. 6 for exhaustion. *(AP)*

SCOREBOARD

NBA Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	Pct	GB
Orlando	44	14	.759	—
New York	37	19	.661	6
Boston	24	33	.421	19½
New Jersey	22	36	.379	22
Miami	21	35	.375	22
Philadelphia	17	41	.293	27
Washington	15	41	.268	28
Central Division				
Charlotte	37	21	.638	—
Indiana	34	23	.596	2½
Cleveland	33	24	.579	3½
Chicago	29	30	.492	8½
Atlanta	28	29	.491	8½
Detroit	22	35	.386	14½
Milwaukee	22	36	.379	15

WESTERN CONFERENCE

Midwest Division

	W	L	Pct	GB
Utah	42	16	.724	—
San Antonio	38	16	.704	2
Houston	35	22	.614	6½
Denver	26	31	.456	15½
Dallas	22	33	.400	18½
Minnesota	16	41	.281	25½
Pacific Division				
Phoenix	44	14	.759	—
Seattle	38	17	.691	4½
L.A. Lakers	35	20	.636	7½
Portland	30	25	.545	12½
Sacramento	28	27	.509	14½
Golden State	16	39	.291	26½
L.A. Clippers	11	48	.186	33½

FRIDAY'S RESULTS

Milwaukee 22 27 19 23— 91
Boston 27 18 31 27—103

M: Baker 7-15 6-9 20, Day 8-12 2-5 23; B: Radja 10-18 4-5 24, Douglas 8-14 6-6 23. Rebounds—Milwaukee 44 (Lister 9), Boston 52 (Montross 12). Assists—Milwaukee 20 (Baker 6), Boston 16 (Douglas 9).

Philadelphia 28 23 31 20—102
New Jersey 27 24 28 19— 98

P: Weatherspoon 10-18 1-2 21, Barros 7-15 9-10 24; N: Coleman 6-15 7-8 20, Morris 6-17 4-4 20. Rebounds—Philadelphia 48 (Bradley 15), New Jersey 49 (J.Williams 9). Assists—Philadelphia 18 (Barros 9), New Jersey 23 (Anderson 7).

Indiana 30 25 25 26—106
Washington 29 27 23 32—111

I: Smits 10-19 4-5 24, Miller 6-16 9-9 21; W: Howard 7-12 6-8 20, Cheaney 8-14 1-1 18. Rebounds—Indiana 37 (Smits 8), Washington 53 (Webber 12). Assists—Indiana 24 (McKey 6), Washington 26 (Skiles 9).

Detroit 24 28 17 9—78
Atlanta 30 23 27 14—94

D: Miller 7-10 0-1 14, Mills 12-19 0-0 27; A: Augmon 7-15 5-8 19, Blaylock 7-15 2-2 18. Rebounds—Detroit 52 (Miller 19), Atlanta 52 (Augmon 12). Assists—Detroit 16 (Dumars 4), Atlanta 19 (Blaylock 10).

Houston 21 29 27 28—105
Minnesota 25 21 33 29—108

H: Olajuwon 8-20 12-17 28, Drexler 7-15 5-5 23; M: Laettner 8-9 2-2 18, Gugliotta 8-13 4-7 21. Rebounds—Houston 55 (Olajuwon 13), Minnesota 39 (Laettner 8). Assists—Houston 24 (Cassell 8), Minnesota 32 (Laettner, Gugliotta 6).

Seattle 29 29 30 26 4—118
Phoenix 26 31 29 28 8—122

S: Schrempf 11-19 6-6 31, Payton 14-25 2-2 30; P: Barkley 10-17 9-12 33, K.Johnson 7-21 11-12 25. Rebounds—Seattle 45 (Kemp 13), Phoenix 53 (Barkley 12). Assists—Seattle 34 (McMillan, Payton, Schrempf 8), Phoenix 30 (K.Johnson 14).

Orlando 29 25 29 28—111
San Antonio 30 34 33 15—112

O: O'Neal 15-27 6-12 36, Hardaway 8-16 10-12 28, Anderson 8-15 2-2 20; S: Elliott 6-13 5-5 18, Robinson 7-24 10-12 24. Rebounds—Orlando 50 (O'Neal 12), San Antonio 62 (Rodman 20). Assists—Orlando 22 (Hardaway 7), San Antonio 21 (Johnson 9).

Miami 22 17 35 24— 98
Denver 25 23 23 24—100

M: Rice 9-19 4-5 24, Eackles 6-14 5-6 19; D: Rogers 8-11 2-4 18, Abdul-Rauf 9-22 2-2 22. Rebounds—Miami 45 (Geiger 10), Denver 57 (Mutombo 14). Assists—Miami 24 (Coles 10), Denver 20 (Abdul-Rauf 7).

Sacramento 25 20 22 24 7 4—104
L.A. Lakers 22 19 27 23 7 9—109

S: Grant 14-20 1-1 29, Richmond 10-25 6-8 28; L: Divac 8-15 11-14 27, Campbell 6-12 5-6 17. Rebounds—Sacramento 59 (Polynice 10), Los Angeles 71 (Divac 19). Assists—Sacramento 29 (Hurley 17), Los Angeles 23 (Van Exel 11).

Charlotte 35 19 32 30—116
Golden State 23 22 11 30— 86

C: Mourning 9-12 3-3 22, Curry 8-13 1-1 21; G: Marshall 5-14 3-6 14, Alexander 9-11 0-0 18. Rebounds—Charlotte 46 (Mourning 11), Golden State 57 (Rozier 11). Assists—Charlotte 33 (Bogues 7), Golden State 23 (Hardaway 9).

SATURDAY'S RESULTS

Portland 23 26 16 16—81
Utah 23 21 24 30—98

P: J.Robinson 9-19 3-3 23, Thorpe 4-6 5-12 13; U: Malone 7-13 16-21 30, Hornacek 5-10 0-0 12. Rebounds—Portland 41 (Thorpe 14), Utah 47 (Malone 9). Assists—Portland 12 (Porter 8), Utah 18 (Stockton 11).

Chicago 34 31 23 18—106
Philadelphia 23 32 13 26— 94

C: Kukoc 10-17 1-2 21, Pippen 6-13 3-4 17; P: Weatherspoon 7-14 7-8 21, Barros 7-12 8-8 26. Rebounds—Chicago 43 (Perdue 12), Philadelphia 47 (Wright 11). Assists—Chicago 28 (Pippen 9), Philadelphia 13 (Barros 5).

New York 18 21 23 27—89
Cleveland 23 13 20 20—76

N: Ewing 8-15 2-2 18, Starks 11-18 0-0 29; C: J.Williams 9-18 2-2 20, Mills 7-15 0-1 15. Rebounds—New York 47 (Mason 14), Cleveland 47 (Cage 20). Assists—New York 22 (Harper, Starks 6), Cleveland 25 (Brandon 8).

Boston 28 28 35 16—107
Indiana 20 32 20 29—101

B: Radja 8-10 7-9 23, Wilkins 8-12 1-1 19; I: Scott 7-9 4-5 21, Fleming 7-11 1-2 15. Rebounds—Boston 42 (Radja, Montross 8), Indiana 45 (Smits 10). Assists—Boston 24 (Douglas 9), Indiana 23 (Jackson 9).

Detroit 25 22 29 22—98
Dallas 23 24 26 18—91

DT: Miller 8-15 1-1 17, Dumars 7-18 5-6 19; DL: Mashburn 8-20 4-5 22, Tarpley 8-16 2-2 18. Rebounds—Detroit 53 (Miller 10), Dallas 63 (Williams, Tarpley 9). Assists—Detroit 22 (Hill 9), Dallas 20 (Kidd 7).

Denver 25 24 21 31—101
L.A. Clippers 27 16 12 34— 89

D: Mutombo 9-11 3-4 21, Abdul-Rauf 7-17 2-2 16; L: Murray 6-15 0-0 13, Vaught 7-12 3-4 17. Rebounds—Denver 53 (Mutombo 16), Los Angeles 48 (Massenburg 9). Assists—Denver 26 (Abdul-Rauf 8), Los Angeles 24 (Richardson 10).

Top 25 College Results

How the top 25 teams in The Associated Press' men's college basketball poll fared this weekend:

2, North Carolina (22-4, 12-4) beat Duke (12-17, 2-14) 99-86. Next: ACC tournament at Greensboro, N.C., Friday; 4, Connecticut (23-3, 16-2) beat Miami (15-11, 9-9) 75-67. Next: Big East tournament at New York, Friday; 5, Kentucky (22-4, 14-2) beat LSU (12-14, 6-10) 127-80. Next: SEC tournament at Atlanta, Friday; 7, Arkansas (25-5, 12-4) beat Auburn (15-11, 7-9) 68-66. Next: SEC tournament at Atlanta, Friday.

8, Massachusetts (23-4, 13-3) beat Rutgers (12-14, 7-9) 77-42. Next: vs. Duquesne at Philadelphia, Sunday; 9, Wake Forest (21-5, 12-4) beat North Carolina State (12-14, 4-12) 83-68. Next: ACC tournament at Greensboro, N.C., Friday; 11, Villanova (22-7, 14-4) lost to Providence (15-11, 7-11) 71-78. Next: Big East tournament at New York, Friday; 12, Arizona (23-6, 13-4) beat Washington (8-17, 4-12) 63-54. Next: vs. No. 15 Arizona State, Saturday.

14, Mississippi State (20-6, 12-4) beat No. 21 Alabama 71-67. Next: SEC tournament at Atlanta, Friday; 15, Arizona State (21-8, 11-6) lost to Washington State (15-10, 9-7) 84-71. Next: at No. 12 Arizona, Saturday; 16, Oklahoma (22-7, 8-5) lost to No. 19 Missouri 83-81, OT. Next: Big Eight tournament at Kansas City, Mo., Friday; 17, Purdue (22-6, 13-3) beat Illinois (17-11, 8-8) 69-56. Next: at Minnesota, Thursday.

19, Missouri (19-7, 8-6) beat No. 16 Oklahoma 83-81, OT. Next: Big Eight tournament at Kansas City, Mo., Friday; 20, Stanford (17-8, 8-8) lost to Oregon (18-7, 10-6) 89-80. Next: vs. Washington State, Thursday; 21, Alabama (20-8, 10-6) lost to No. 14 Mississippi State 71-67. Next: SEC tournament at Atlanta, Friday; 22, Syracuse (19-8, 12-6) beat Boston College (8-18, 2-16) 98-62. Next: Big East tournament at New York, Friday; 25, Xavier, Ohio (23-4) lost to Wright State (12-16) 71-70. Next: TBA.

Other Major College Scores

EAST

Friday's Games

Dartmouth 69, Columbia 67
Harvard 80, Cornell 63
Penn 85, Brown 55
Princeton 51, Yale 35

Saturday's Games

Dartmouth 77, Cornell 56
Harvard 93, Columbia 61
Penn 82, Yale 57
Pittsburgh 76, Seton Hall 72
Princeton 81, Brown 59

SOUTH

Friday's Game

McNeese St. 91, Stephen F.Austin 75

Saturday's Games

Clemson 65, Georgia Tech 63
Florida Atlantic 68, Wis.-Milwaukee 59
Georgia 79, Mississippi 51
South Carolina 66, Tennessee 50
South Florida 75, SE Missouri 48
Tulane 89, Southern Miss. 75
Virginia Tech 86, N.C. Charlotte 72

MIDWEST

Akron 65, Cent. Michigan 51
Ball St. 96, Ohio U. 85
Cincinnati 85, Ala.-Birmingham 61
Colorado 70, Kansas St. 51
DePaul 103, Dayton 78
Marquette 80, Memphis 61
Miami, Ohio 68, Kent 55
Minnesota 82, Northwestern 70
Toledo 93, E. Michigan 85
W. Michigan 51, Bowling Green 42
Wisconsin 80, Ohio St. 69

SOUTHWEST

Southern Meth. 79, Houston 74
Texas 108, Rice 74
Texas A&M 87, Baylor 78
Texas Christian 108, Texas Tech 106
Texas Southern 112, Alabama St. 90
Texas-Arlington 80, SW Texas St. 64
Texas-San Antonio 87, North Texas 80

FAR WEST

Friday's Games

Boise St. 81, Idaho St. 75
Montana 84, E. Washington 76, OT
Montana St. 88, Idaho 56

Saturday's Games

Air Force 59, New Mexico 58
Fresno St. 92, Texas-El Paso 73
Montana 88, Idaho 64
Montana St. 95, E. Washington 69
Nevada 82, San Jose St. 70
New Mexico St. 113, UC Santa Barbara 103, OT
Oregon St. 83, California 67
S. Utah 89, Sacramento St. 55
San Diego St. 75, Colorado St. 58
UC Irvine 91, Cal St.-Fullerton 83
UNLV 92, Long Beach St. 75
Utah St. 74, Pacific 64
Weber St. 85, N. Arizona 67

TOURNAMENTS

Atlantic 10 Conference

First Round

Duquesne 82, Rhode Island 69

Big South Conference

First Round

Charleston Southern 85, Towson St. 55
Liberty 57, Md.-Baltimore County 54
N.C.-Greensboro 75, Winthrop 51
Radford 63, N.C.-Asheville 47

Semifinals

Charleston Southern 60, Liberty 58
N.C.-Greensboro 71, Radford 59

Colonial Athletic Association

First Round

American U. 75, East Carolina 67
James Madison 73, William & Mary 50
Old Dominion 110, George Mason 94
Richmond 60, N.C.-Wilmington 54

Metro Atlantic Athletic Conference

First Round

Canisius 77, Loyola, Md. 64
Fairfield 81, Iona 79, OT
Manhattan 83, Niagara 60
St. Peter's 53, Siena 45

Mid-Continent Conference

First Round

Buffalo 70, E. Illinois 65
Youngstown St. 90, Troy St. 83

Mid-Eastern Athletic Conference

Semifinals

Coppin St. 88, Bethune-Cookman 75
N. Carolina A&T 70, S. Carolina St. 60

Championship

N. Carolina A&T 66, Coppin St. 64

Midwestern Collegiate Conference

First Round

N. Illinois 62, Loyola, Ill. 57
Wright St. 88, Cleveland St. 81

Quarterfinals

Detroit 59, Butler 53
N. Illinois 87, Ill.-Chicago 83
Wis.-Green Bay 54, La Salle 46

Semifinals

Wright St. 71 Xavier, Ohio 70

Missouri Valley Conference

First Round

Bradley 79, Evansville 64
S. Illinois 85, Drake 65
Tulsa 77, Wichita St. 63

Semifinals

Illinois St. 75, SW Missouri St. 72

North Atlantic Conference

Quarterfinals

Boston U. 69, Hartford 57
Drexel 108, Hofstra 75
New Hampshire 83, Delaware 81
Northeastern 73, Vermont 71, OT

Northeast Conference

Semifinals

Mount St. Mary's, Md. 84, Marist 79
Rider 76, Fairleigh Dickinson 65

Ohio Valley Conference

Semifinals

Austin Peay 81, Tennessee St. 76
Murray St. 78, E. Kentucky 72

Championship

Murray St. 92, Austin Peay 84

Patriot League

First Round

Army 94, Bucknell 78
Colgate 87, Lafayette 67
Fordham 79, Holy Cross 65
Navy 87, Lehigh 81

Southern Conference

Quarterfinals

Appalachian St. 93, Marshall 82
E. Tennessee St. 85, Citadel 65
Tn.-Chattanooga 70, Georgia Southern 66
W. Carolina 78, Davidson 74

Semifinals

Tn.-Chattanooga 71, E. Tennessee St. 69
W. Carolina 74, Appalachian St. 64

Sun Belt Conference

First Round

Arkansas St. 96, South Alabama 93, OT
SW Louisiana 57, Lamar 55

Quarterfinals

Ark.-Little Rock 99, Jacksonville 76
New Orleans 87, Arkansas St. 61
Texas-Pan American 51, Louisiana Tech 48
W. Kentucky 87, SW Louisiana 72

Trans America Athletic Conference

Semifinals

Fla. International 65, SE Louisiana 64, OT
Mercer 81, Georgia St. 72

Championship

Fla. International 68, Mercer 57

West Coast Conference

First Round

Gonzaga 74, San Diego 57
Loyola Marymount 87, Santa Clara 83
Portland 62, Pepperdine 52
St. Mary's, Cal. 72, San Francisco 41

NHL Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	T	Pts	GF	GA
N.Y. Rangers	11	8	3	25	61	52
New Jersey	8	8	4	20	52	48
Tampa Bay	9	11	2	20	59	65
N.Y. Islanders	8	9	3	19	51	59
Philadelphia	8	9	3	19	59	59
Florida	7	12	3	17	51	66
Washington	5	10	5	15	46	55
Northeast Division						
Pittsburgh	15	4	2	32	88	67
Quebec	14	4	3	31	81	51
Boston	11	7	2	24	60	48
Buffalo	8	7	4	20	43	42
Hartford	8	10	3	19	54	55
Montreal	7	9	4	18	47	61
Ottawa	2	13	3	7	38	62

WESTERN CONFERENCE

Central Division

	W	L	T	Pts	GF	GA
Detroit	13	5	1	27	74	39
Chicago	13	6	1	27	77	46
St. Louis	12	5	1	25	69	51
Toronto	10	10	3	23	65	66
Dallas	7	10	3	17	56	53
Winnipeg	7	11	3	17	60	76
Pacific Division						
Calgary	10	7	4	24	67	50
San Jose	9	10	2	20	48	65
Vancouver	6	7	7	19	64	67
Edmonton	7	12	2	16	53	74
Los Angeles	5	10	4	14	58	75
Anaheim	6	12	1	13	41	70

FRIDAY'S RESULTS

Philadelphia 0 1 2—3
N.Y. Rangers 0 4 1—5

First Period: None. Second Period: N.Y.-Larmer 9 (M. Messier, J. Messier); N.Y.-Kovalev 5 (Matteau, Noonan); N.Y.-Larmer 10 (Karpovtsev, Kovalev); (pp). P-Renberg 8 (LeClair, Lindros); N.Y.-Graves 9 (M. Messier, Larmer); Third Period: P-Renberg 9 (LeClair); (pp). N.Y.-Graves 10 (M. Messier, Leetch); (pp). P-LeClair 10 (Renberg); Shots on goal: P 4-8-11—23. N.Y. 10-10-9—29. Goalies: P, Hextall. N.Y., Richter.

Anaheim 0 0 0—0
Dallas 1 1 2—4

First Period: D-Harvey 2. Second Period: D-Courtnall 4 (Evason, Donnelly); Third Period: D-May 1 (K. Hatcher, Ludwig); D-Harvey 3 (Evason); Shots on goal: A 7-11-9—27. D 12-13-14—39. Goalies: A, Hebert. D, Wakaluk.

Chicago 0 2 3—5
Edmonton 1 1 0—2

First Period: E-Thornton 4 (Richardson, Marchment); (sh) Second Period: C-Nicholls 12, C-Cummins 2 (Roenick, Poulin); E-Weight 1 (Oksiuta, Richardson); Third Period: C-Poulin 9 (Shantz, Ruuttu); (pp). C-Murphy 10 (Weinrich); C-Sutter 5 (Amonte, Smith); (en) Shots on goal: C 5-9-12—26. E 12-10-7—29. Goalies: C, Belfour. E, Ranford

SATURDAY'S RESULTS

Florida 0 1 0—1
New Jersey 1 5 0—6

First Period: N.J.-Guerin 5 (Rolston, Semak); Second Period: F-Murphy 4 (Garpenlov, Belanger); (pp). N.J.-Rolston 2 (McAlpine, S. Niedermayer); N.J.-MacLean 8 (Lemieux); (sh)N.J.-Richer 10 (Carpenter, Daneyko); N.J.-Chorske 6 (Richter, Broten); N.J.-Broten 1 (Lemieux); Third Period: None. Shots on goal: F 7-5-6—18. N.J. 11-15-13—39. Goalies: F, Fitzpatrick, Vanbiesbrouck. N.J., Brodeur.

Pittsburgh 2 1 0 1—4
Boston 3 0 0 0—3

First Period: B-Smolinski 10 (Czerkawski, Stumpel); (pp). B-Neely 13 (Oates, Bourque); (pp). P-Sandstrom 10 (Cullen); P-Robitaille 12 (Andrusak, Francis); (pp). B-Bourque 5 (Stumpel, Neely); Second Period: P-Cullen 8 (Sandstrom, Murphy); Third Period: None. Overtime: P-Murphy 5 (Francis, Sandstrom); Shots on goal: P 10-4-5-1—20. B 19-14-11-1—45. Goalies: P, Wregget. B, Lacher, Riendeau.

Tampa Bay 1 0 1 0—2
Hartford 0 2 0 1—3

First Period: T-Tucker 7 (Bradley, Chambers); Second Period: H-Carson 3 (Turcotte, Burt); H-Lemieux 2 (Ranheim); Third Period: T-Tucker 8 (Chambers, Bradley); Overtime: H-Kron 8 (Carson, Pronger); Shots on goal: T 9-8-8-0—25. H 6-11-10-2—29. Goalies: T, Puppa. H, Reese.

San Jose 1 0 1—2
Winnipeg 1 0 3—4

First Period: S.J.-Duchesne 2 (Norton); W-Tkachuk 11 (Zhamnov); (pp). Second Period: None. Third Period: S.J.-Friesen 3 (Elik, More); W-Selanne 11 (Zhamnov, Tkachuk); W-Emerson 7 (Numminen, Mikulchik); W-Zhamnov 9 (Darrin Shannon); (en). Shots on goal: S.J. 6-12-10—28. W 10-8-12—30. Goalies: S.J., Irbe. W, Khabibulin.

Buffalo 0 0 1 0—1
Quebec 0 0 1 0—1

First Period: None. Second Period: None. Third Period: B-Huddy 2 (May); Q-Krupp 6. Overtime: None. Shots on goal: B 7-10-9-2—28. Q 12-13-7-5—37. Goalies: B, Hasek. Q, Thibault.

Montreal 1 0 0—1
Washington 2 2 1—5

First Period: W-Hunter 3 (Pivonka, Johansson); (pp). W-Pivonka 4 (Slaney, Juneau); (pp). M-DiPietro 4 (Brunet, Keane); Second Period: W-Jones 6 (Johansson, Juneau); W-Bondra 9, Third Period: W-Pivonka 5 (Bondra, Reekie); Shots on goal: M 8-14-7—29. W 14-6-7—27. Goalies: M, Roy. W, Carey.

Calgary 0 2 0—2
Toronto 1 0 2—3

First Period: T-Andreychuk, 8 (Ridley, Gartner); Second Period: C-Fleury 15 (McCarthy, Nieuwendyk); (pp). C-Zalapski 1 (Nieuwendyk, Housley); Third Period: T-Wood 6 (Butcher, Ridley); T-Andreychuk 9 (Gill, Mironov); (pp). Shots on goal: C 4-11-13—28. T 10-13-14—37. Goalies: C, Kidd. T, Rhodes.

Vancouver 4 1 0—5
Los Angeles 2 2 0—4

First Period: L.A.-Granato 5 (Kurri); V-Adams 4 (Courtnall); V-Brown 5 (Adams, Courtnall); V-Gelinas 5 (Courtnall); L.A.-Conacher 3 (Todd, Druce); V-Courtnall 9 (Gelinas, Adams); Second Period: L.A.-Kurri 5 (Gretzky, Petit); L.A.-Blake 1 (Kurri, Tocchet); (pp). V-Ronning 4 (Momesso, Linden); Third Period: None. Shots on goal: V 15-8-14—37. L.A. 9-22-11—42. Goalies: V, McLean. L.A., Fuhr.

TENNIS

ATP WORLD INDOOR TOURNAMENT

In Rotterdam

Quarterfinals

Paul Haarhuis, Netherlands, def. Jeff Tarango, U.S. 6-4 6-4; Yevgeny Kafelnikov (2), Russia, def. Martin Damm, Czech Republic 6-0 7-6 (8-6). Richard Krajicek (5), Netherlands, def. Andrei Medvedev (4), Ukraine 7-6 (7-5), 6-4. Omar Camporese, Italy, def. Sjeng Schalken, Netherlands, 6-2, 6-3.

Semifinals

Haarhuis def. Kafelnikov (2), 3-6, 6-3, 7-6 (7-5). Krajicek (5), def. Camporese, 6-3, 7-5.

Final

Krajicek def. Haarhuis, 7-6 (7-5), 6-4.

PUERTO RICO OPEN

In San Juan

Quarterfinals

Gigi Fernandez (4), U.S., def. Silvia Farina (6), Italy, 6-1, 2-6, 6-3. Kyoko Nagatsuka (8), Japan, def. Nancy Feber, Belgium, 6-4, 6-4. Joannette Kruger, South Africa, def. Alex Dechaume, France, 6-3, 6-3. Florencia Labat (5), Argentina, def. Sandrine Testud, France, 2-6, 6-1, 7-6 (8-6).

Semifinals

Nagatsuka (8), def. Fernandez (4), 6-7 (5-7), 6-1, 7-5; Kruger, def. Labat (5), 6-3, 7-5.

EVERT CUP

In Indian Wells, California

Quarterfinals

Arantxa Sanchez Vicario (1), Spain, def. Chanda Rubin, Lafayette, La., 7-6 (7-5), 6-2. Mary Joe Fernandez (8), Miami, def. Conchita Martinez (2), Spain, 7-6 (7-3), 6-2. Naoko Sawamatsu (5), Japan, def. Lindsay Davenport (3), Murrietta, Calif., 4-6, 6-4, 7-6 (7-4). Natasha Zvereva (4), Belarus, def. Elena Likhovtseva, Kazakhstan, 6-4, 6-0.

Semifinals

Zvereva (4), def. Sanchez Vicario (1), (7-5), 6-3. Fernandez (8), def. Sawamatsu (5), 6-4, 6-1.

MEXICAN OPEN

In Mexico City

Quarterfinals

Fernando Meligeni, Brazil, def. Mark Petchey, England, 3-6, 6-2, 7-6 (7-3). Alex Corretja (3), Spain, def. Jordi Burillo, Spain, 7-5, 3-6, 7-6 (7-5). Francisco Clavet (6), Spain, def. Mauricio Hadad, Colombia, 6-4, 6-1. Thomas Muster (2), Austria, def. Oscar Martinez (8), Spain, 7-6 (8-6), 6-1.

Semifinals

Meligeni, def. Corretja (3), 6-1, 6-0. Muster (2), def. Clavet (6), 7-6 (7-3), 1-6, 6-2.

MASSMUTUAL CHAMPIONSHIPS

In Scottsdale, Arizona

Quarterfinals

Todd Martin (1), U.S., def. Carsten Arriens, Germany, 7-5, 7-6 (7-1). Jim Courier (2), U.S., def. Mark Woodforde (8), Australia, 6-3, 6-3. Mark Philippoussis, Australia, def. Jonas Bjorkman, Sweden, 3-6, 6-4, 6-4. Stefan Edberg, Sweden, def. Brett Steven, New Zealand, 6-3, 6-2.

Semifinals

Philippoussis def. Martin (1), 7-6 (7-3), 6-3. Courier (2), def. Edberg, 6-4, 6-7 (5-7), 6-4.

DAVIS CUP

American Zone

Group A

Puerto Rico 3, Bermuda 0: Rafael Jordan def. Donald Evans 6-3 5-7 6-4; Jorge Gonzalez def. Michael Way 6-3 6-3; Manuel Ortiz and Jean Paul Vissepo def. Steve Bean and Willy Way Jr. 6-1 6-2.

Costa Rica 2, Eastern Caribbean 1: Fabricio Golfin, Costa Rica, def. Henri Sinson 6-2 6-0. Govasko Williams, Eastern Caribbean, def. Rafael Avalos, 2-6 6-4 8-6; Avalos and Kenneth Thome def. John Maginley and Sinson 6-4 1-6 6-1.

Dominican Republic 2, Eastern Caribbean 1: Genaro de Leon, Dominican Rep., def. Vernon Lewis 7-5 6-0; Govasko Williams, Eastern Carribean, def. Hiram Silfa 7-6 (7-4) 6-3; De Leon and Silfa def. John Maginley and Williams 7-6 (9-7) 6-2.

Costa Rica 3, Bermuda 0: Fabricio Golfin def. Donald Evans 6-7 (7-5) 6-3 6-4; Kenneth Thome def. Michael Way 6-2 6-1; Rafael Avalos and Thome def. Evans and Way 6-4 6-3.

Group B

El Salvador 3, Trinidad & Tobago 0: Manuel Tejada def. Shane Stone 7-6 (7-5) 7-6 (7-3); Miguel Martz def. Orville Adams 6-0 6-0; Martz and Tejada def. Adams and Stone 7-6 (7-2) 7-5.

Barbados 2, Jamaica 1: Martin Blackman, Barbados, def. Scott Wittinsky 6-3 6-2; Kar Hale, Jamaica, def. Richard Ashby, 4-6 7-6 (9-7) 6-4; Blackman and Ashby def. Hale and Douglas Burke 6-4 1-6 6-3.

GOLF

ANDALUCIA OPEN

Leading final scores after Sunday's final round of Andalucia Open at the par-71, 6,677-yard (6,116-meter) Islantilla Golf Club course in Lepe, Spain:

Alexander Cejka, Germany,	71-68-70-69—278
Costantino Rocca, Italy.	71-65-78-67—281
Paul McGinley, Ireland,	71-74-69-69—283
Wayne Riley, Australia.	70-73-68-72—283
Olle Karlsson, Sweden,	72-76-69-67—284
Anders Forsbrand, Sweden.	73-72-64-75—284
Paolo Quirici, Switzerland.	71-71-69-74—285
Des Smyth, Ireland,	68-71-76-71—286
Fabrice Tarnaud, France.	70-72-73-71—286
Mark Mouland, Wales,	70-75-70-71—286

CRICKET

INTERNATIONAL TEST

New Zealand vs. South Africa, 2d Day

Sunday, in Auckland

South Africa 1st Innings: 294 (all out)
New Zealand 1st Innings: 94-1

RUGBY

EUROPEAN CHAMPIONSHIP

Rugby League

Wales 22, France 10

SKIING

World Cup Results

SUNDAY'S RACES

In Saalbach, Austria

WOMEN'S DOWNHILL: 1, Picabo Street, U.S., 1:37.87; 2, Varvara Zelenskaya, Russia 1:38.03; (tie), Isolde Kostner, Italy 1:38.03; 4, Renate Goetschl, Austria, 1:38.10; 5, Astrid Loedemel, Norway, 1:38.17; 6, Svetlana Gladisheva, Russia 1:38.27; 7, Michaela Gerg-Leitner, Germany 1:38.33; 8, Vreni Schneider Switzerland, 1:38.61; 9, Nathalie Bouvier, France, 1:38.65; 10, Michaela Dorfmeister, Austria, 1:38.70.

Downhill Standings: 1, Picabo Street, U.S., 589 points; 2, Hillary Lindh, U.S., 398; 3, Katja Seizinger, Germany, 350; 4, Isolde Kostner, Italy, 286; 5, Varvara Zelenskaja, Russia, 256; 6, Barbara Merlin, Italy, 215; 7, Heidi Zurbriggen, Switzerland, 194; 8, Michaela Gerg-Leitner, Germany, 190; 9, Nathalie Bouvier, France, 186; 10, Heidi Zeller-Baehler, Switzerland, 184.

SUPER GIANT SLALOM: 1, Heidi Zeller-Baehler, Switzerland, 1 minute, 4.59 seconds; 2, Heidi Zurbriggen, Switzerland, 1:05.02; 3, Martina Ertl, Germany, 1:05.25; 4, Varvara Zelenskaja, Russia, 1:05.26; 5, Isolde Kostner, Italy, 1:05.37; 6, Sylvia Eder, Austria, 1:05.42; 7, Alexandra Meissnitzer, Austria, 1:05.45; 8, Pernilla Wiberg, Sweden, 1:05.50; 9, Michaela Dorfmeister, Austria, 1:05.52 (tie), Tanja Schneider, Austria, 1:05.52.

Super G Standings: 1, Katja Seizinger, Germany, 346 points; 2, Heidi Zeller-Baehler, Switzerland, 334; 3, Sylvia Eder, Austria, 230; 4, Heidi Zurbriggen, Switzerland, 215; 5, Martina Ertl, Germany, 197; 6, Picabo Street, U.S., 196; 7, Renate Goetschl, Austria, 165; 8, Alexandra Meissnitzer, Austria, 163; 9, Regine Cavagnoud, France, 145; 10, Shannon Nobis, U.S., 144.

OVERALL WORLD CUP STANDINGS: 1, Katja Seizinger, Germany, 945 points; 2, Heidi Zeller-Baehler, Switzerland, 938; 3, Vreni Schneider Switzerland, 915. 4, Martina Ertl, Germany, 784; 5, Picabo Street, United States, 785; 6, Anita Wachter, Austria, 593; 7, Pernilla Wiberg, Sweden, 472; 8, Hilary Lindh U.S., 454; 9, Spela Pretnar, Slovenia, 438; 10, Heidi Zurbriggen, Switzerland, 409.

SOCCER

ITALIAN FIRST DIVISION

Brescia 0, AC Milan 5
Cagliari 2, Bari 1
Foggia 0, Cremonese 1
Internazionale 0, Juventus 0
Lazio of Rome 8, Florentina 2
Padova 2, Napoli 0
Sampdoria 3, AS Roma 0
Torino 0, AC Parma 2

Standings: Juventus 49 points, Parma 45, Lazio 37, Roma 37, Milan 36, Sampdoria 35, Cagliari 35, Fiorentina 32, Inter 29, Torino 29, Bari 28, Napoli 27, Padova 26, Foggia 25, Cremonese 22, Genoa 21, Reggiana 12, Brescia 12.

DUTCH FIRST DIVISION

RKC Waalwijk 1, SC Heerenveen 1
Roda JC Kerkrade 2, Dordrecht '90 0
PSV Eindhoven 3, NEC Nijmegen 0
NAC Breda 2, MVV Maastricht 1
FC Twente Enschede 0, Willem II Tilburg 3
Vitesse Arnhem 5, GA Eagles 0
Feyenoord Rotterdam 4, FC Groningen 2

Standings: Ajax 38 points, Roda JC 37, PSV 32, Feyenoord 30, FC Twente 29, Willem II 26, Vitesse 26, Heerenveen 24, FC Volendam 20, FC Groningen 20, RKC 20, NAC 19, FC Utrecht 18, Sparta 18, MVV 17, NEC 14, GA Eagles 10, Dordrecht'90 6.

FRENCH FIRST DIVISION

Monaco 2, Montpellier 0
Bastia 2, Martigues 0
Lyon 1, Saint-Etienne 0
Metz 1, Rennes 0
Strasbourg 1, Bordeaux 1
Nantes 2, Nice 1
Sochaux 0, Le Havre 1
Cannes 2, Lens 0
Caen 2, Lille 0
Auxerre 1, Paris St. Germain 1

Standings: Nantes 62 points, Paris SG 51, Lyon 50, Lens 46, Cannes 44, Auxerre 42, Le Havre 41, Bordeaux 40, Monaco 39, Metz 38, Strasbourg 39, Martigues 34, Rennes 32, Saint-Etienne 31, Lille 31, Bastia 29, Caen 28, Nice 28, Montpellier 27, Sochaux 22.

GERMAN BUNDESLIGA

VfL Bochum 1, Werder Bremen 3
MSV Duisburg 0, Karlsruhe SC 0
SC Freiburg 3, Dynamo Dresden 1
Moenchengladbach 2, Bayern Munich 2
Hamburg SV 3, Schalke 0
FC Kaiserslautern 1, Borussia Dortmund 0
Eintracht Frankfurt 2, Bayer Leverkusen 0
FC Cologne 1, VfB Stuttgart 0

Standings: Borussia Dortmund 32 points, Werder Bremen 30, Freiburg 28, Kaiserslautern 28, Moenchengladbach 26, Bayern Munich 24, Karlsruhe 22, Bayer Leverkusen 20, Hamburg SV 20, VfB Stuttgart 19, Schalke 18, Eintracht Frankfurt 18, Cologne 17, Bayer Uerdingen 12, 1860 Munich 11, Duisburg 11, Dynamo Dresden 10, Bochum 10.

ENGLISH PREMIER LEAGUE

Aston Villa 0, Blackburn 1
Leeds 0, Sheffield Wednesday 1
Leicester 2, Everton 2
Liverpool 2, Newcastle 0
Manchester United 9, Ipswich 0
Norwich 1, Manchester City 1
Nottingham Forest 2, Tottenham 2
Southampton 0, Coventry 0
Wimbledon 1, Queens Park Rangers 3
Arsenal 0, West Ham 1
Chelsea 0, Crystal Palace 0

Standings: Blackburn 69, Manchester United 64, Newcastle 57, Liverpool 54, Nottingham Forest 48, Tottenham 44, Leeds 43, Sheffield Wednesday 42, Arsenal 40, Wimbledon 39, Aston Villa 38, Coventry 38, Chelsea 37, Norwich 37, Manchester City 37, Queens Park Rangers 35, Everton 35, Southampton 32, West Ham 32, Crystal Palace 31, Ipswich 23, Leicester 21.

SPANISH FIRST DIVISION

Oviedo 1, Valencia 0
Real Sociedad 5, Tenerife 2
Barcelona 3, Zaragoza 0
Deportivo de La Coruna 1, Compostela 0
Celta 1, Espanyol 2
Betis 2, Racing de Santander 0
Real Madrid 4, Sporting de Gijon 0
Logrones 0, Athletic de Bilbao 1
Albacete 1, Sevilla 1

Standings: Real Madrid 37 points, Barcelona 33, Deportivo La Coruna 32, Betis 29, Zaragoza 28, Athletic Bilbao 27, Espanol 26, Sevilla 25, Oviedo 25, Real Sociedad 24, Valencia 24, Tenerife 24, Albacete 21, Celta 21, Compostela 20, Racing Santander 19, Atletico Madrid 18, Sporting Gijon 18, Valladolid 18, Logrones 9.

TRANSITIONS

BASEBALL

National League

CINCINNATI—Acquired Mike Curtis, pitcher; Mike Palivoda, Lee Granger and Barbaro Garbey, outfielders; and Dave Graybrom, catcher-first baseman, from Cleveland for future considerations. Acquired David Hursey, pitcher, from Florida for future considerations.

BASKETBALL

National Basketball Association

ATLANTA—Placed Jim Les, guard, on the injured list. Signed Morlon Wiley, guard, to a 10-day contract.

HOUSTON—Placed Robert Horry and Carl Herrera, forwards, on the injured list. Activated Tim Breaux, forward, off the injured list. Signed Charles Jones, forward, to a 10-day contract.

FOOTBALL

National Football League

ATLANTA—Signed Todd Norman, offensive tackle.

CAROLINA—Signed Tommy Barnhardt, punter.

CHICAGO—Agreed to terms with Vinson Smith, linebacker, on 2-year contract and John Mangum, safety, on 3-year contract. Signed Darwin Ireland, linebacker.

DETROIT—Signed Herman Moore, wide receiver, to 4-year contract extension through the 1999 season. Signed Richard Woodley, wide receiver. Acquired Harold Alexander, punter, from Atlanta for an undisclosed draft pick.

NEW ENGLAND—Announced they will not match Philadelphia's offer sheet to Kevin Turner, running back.

N.Y. JETS—Signed Bubby Brister, quarterback, to 2-year contract, and Gary Jones, safety.

SAN FRANCISCO—Signed Jason Childs, guard, and Jamal Fountaine, defensive end.

WASHINGTON—Signed James Washington, safety.

HOCKEY

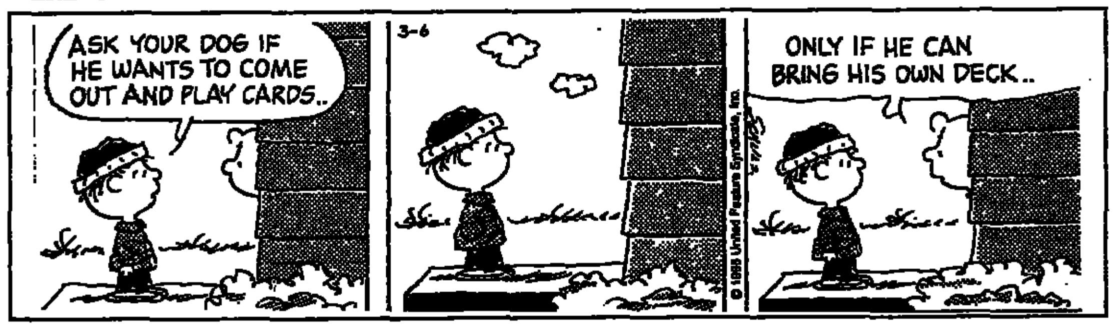
National Hockey League

HARTFORD—Recalled Manny Legace, goalie, from Springfield, AHL.

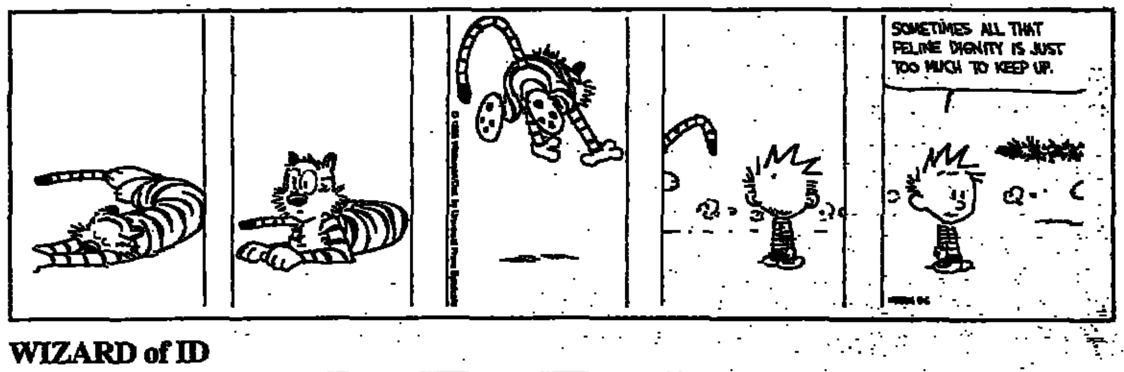
DENNIS THE MENACE

"TEACHER TOLD US ALL ABOUT THE IGLOO. THAT'S THE PASTE THEY USE IN ALASKA."

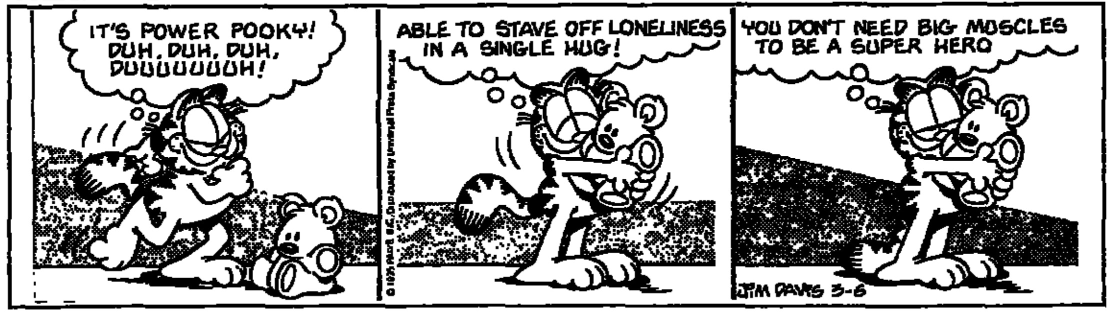
PEANUTS



CALVIN AND HOBBES



GARFIELD



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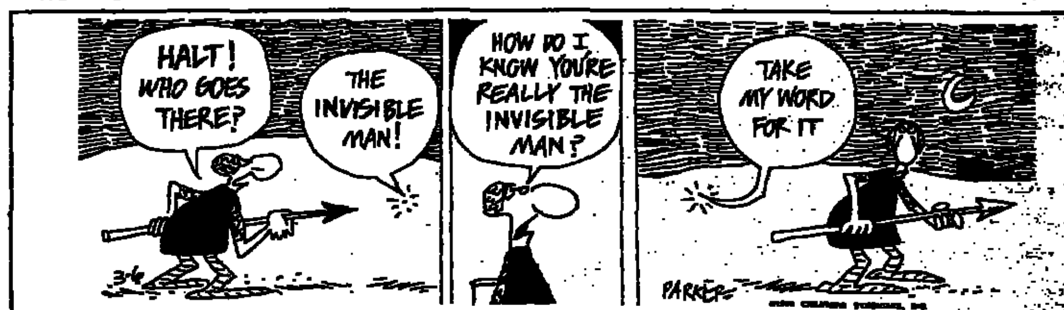
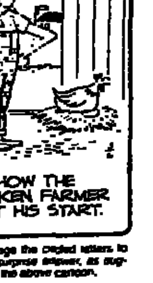


JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

UGGEA
SNAIE
OETAGE
RETHEN



HOW THE CHICKEN FARMER GOT HIS START.

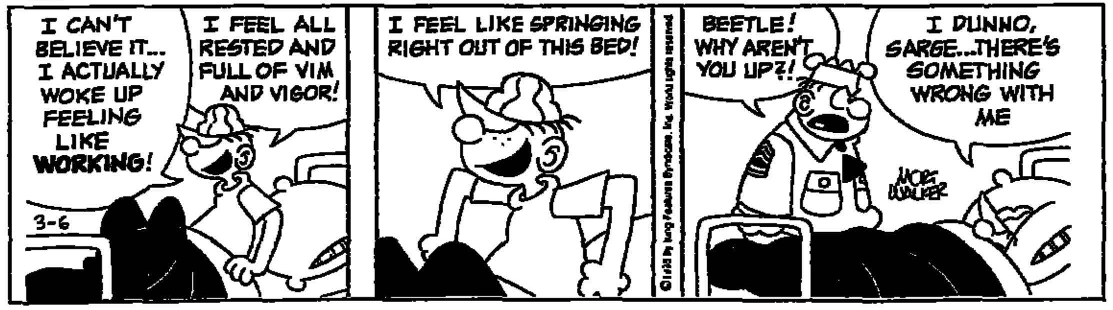
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: WITH A

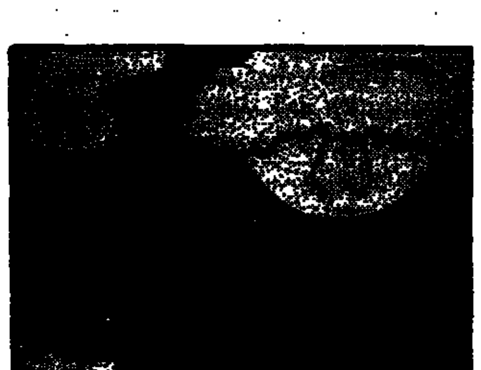
(Answers tomorrow)

Saturday's | Jumbles: JOLLY GRIPE FOURTH LAXITY
Answer: What broke out at the bowling match? — AN ALLEY FIGHT

BEETLE BAILEY

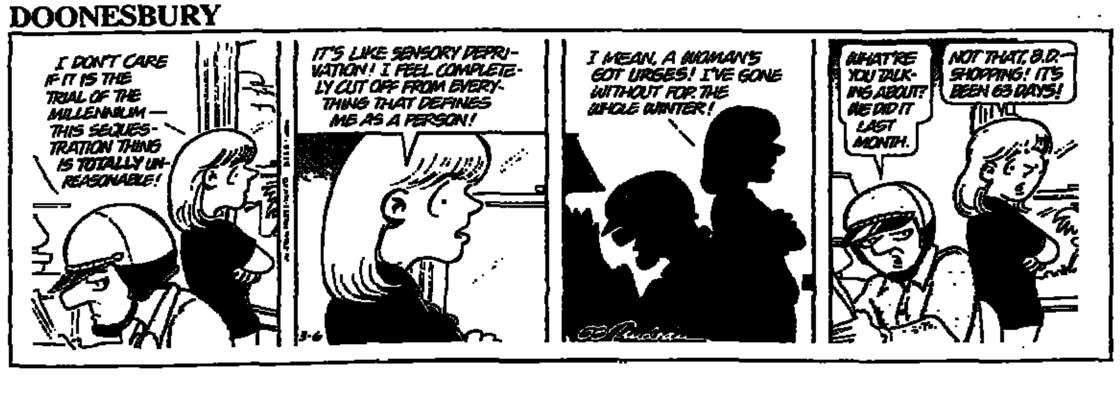


THE FAR SIDE



BLONDIE

DOONESBURY



Street, Zeller-Bähler Win Women's Races

The Associated Press

SAALBACH, Austria — Surprising nobody but herself, Picabo Street made it three in a row Sunday, gliding to a World Cup women's downhill victory with 0.16 seconds to spare.

Later in the day, Swiss skier Heidi Zeller-Bähler won her third World Cup race of the season and her first super G.

And in Aspen, Colorado, officials declared America's A.J. Kitt the winner of storm-shortened World Cup downhill, a decision that could trigger protests by countries whose skiers fared poorly.

Thirty-one skiers had competed before the Aspen race was halted. Normally, two-thirds of the racers, in this case 44, must compete before a World Cup race is official.

Kitt finished in 1 minute, 45.46 seconds. Austrian Armin Assinger finished in 1:46.04 and Lasse Kjus of Norway was third in 1:46.15.

It was Street's fourth downhill victory this season. She finished in 1 minute, 37.87 seconds, with Isolde Kostner of Italy and Varvara Zelenskaya of Russia tied for second at 1:38.03. Renate Götschl of Austria was fourth, in 1:38.10.

"I'm a little bit surprised," said Street. "I didn't expect a victory. I was nervous watching Isolde Kostner. I was lucky."

Street, 23, won her first cup downhill at Lake Louise, Canada, and added a victory at Cortina d'Ampezzo, Italy, then one at Are, Sweden.

Zeller-Bähler, by finishing just ahead of teammate Heidi Zurbriggen, got back into contention in the overall World Cup standings, behind Germany's Katja Seizinger but ahead of teammate Vreni Schneider.

Zeller-Bähler had 938 points, compared to 943 for Seizinger and 915 for Schneider, throwing open the competition with just two races and a combined left in the season.

Seizinger, just 27th in the downhill, finished only 16th in the super G.

With the icy slope claiming eight of the first 20 starters, it quickly became evident that Zeller-Bähler, 10th down the course, was the woman to beat. But she cautioned against celebrating while others were still competing, saying: "Let's wait until the race is over."

Previous super G races this season have given her grounds for caution — she was second once and third twice, with later starters sometimes depriving her of victory.

Zeller-Bähler was clocked in 1 minute, 04.59, just .03 seconds ahead of Zurbriggen. Martina Ertl of Germany was third.

Agence France-Presse

Emile N'Tamack scored the clinching try for France, but had less success kicking the ball.

French Top Irish in Rugby, Scots Remain Undefeated

By Ian Thomsen
International Herald Tribune

DUBLIN — So the French move on to the rugby World Cup hoping to convince themselves they're better than they really were.

It will be some job because their 25-7 victory over Ireland on Saturday was anchored fast by desperation. France, which had imagined itself winning the Five Nations Championship, finishes third (with relief) after two major losses to England and Scotland, which will decide the Grand Slam in a fortnight at Twickenham.

France made six changes, bringing back the 6-foot, 9-inch Olivier Merle (banned from the second match for his head-butt against Wales) and a trio of heroes in their 30s: Franck Mesnel (33), Louis Armary (31) and Marc Cecillon (35). Coach Pierre Berbizier desperately needed stability and so he sacrificed vision: The odds of a traumatic third straight defeat were greater than the chance of rediscovering the strength of their New Zealand tour last summer. But he said the changes were demanded mainly because the winless Irish enforce such a tight game; and it would become that as he played himself down to the strengths of his host.

The French lead was only 3-0 at halftime, and that with the wind misting at their backs.

Ireland had chances to beat France for the first time since 1983, but its own process of selecting players piecemeal, by vote of a five-man board, has arguably led to a series of changes for change's sake. More players had been lost to the flu and appendicitis by the end of the week. At 35, the enormous lock David Tweed of Shannon became the oldest Irish to win his first cap.

Meanwhile the famed out-half Eric Elwood, not selected for the first two matches, reappeared Saturday without his confidence. Too often the play broke down going through him. The wind was at their backs in the second half as the Irish fell behind by 15-0 after Philippe Saint-André had created a try for Yann Delaigue in the 41st minute, and Cecillon had plowed over from a ruck in the 58th.

Then, for Ireland, a miracle of timing: three passes in a row, and another three, and Phil Danaher kicking into the right corner for Simon Geoghegan to outrace Saint-André. Elwood converted the hardest of kicks and it was 15-7 with 15 minutes remaining.

The French were content to let it dwindle until the final minute, when two tries brought documented truth of their strength. They will be happy that Emile N'Tamack and then Saint-André could give them that appearance. But then, nothing less should have been expected against a team winless against France since 1983. Ireland has been out-tried by 40-5 in that time.

"It was urgent to react after the Scotland defeat," said Berbizier, who has only a friendly with Romania before taking his team to South Africa. "I said then that the tournament was a failure and that still stands. In a way this was the first match of the World Cup."

He will want to do something about the new kicker. N'Tamack stood over the ball for hours like a bad golfer, then swung like one.

"The problem with this team is that our nature and our temperament is to react when we are up against the wall," Berbizier said. "We are not able to prepare for a present goal. We are capable of putting up a good performance, but we are incapable ot repeating it. The problem is inconsistency.

"What we showed today was that the most important thing is to keep the ball," he said. "If we are first to win the ball and then we are able to keep it then that's what rugby's all about. That's what England taught us and that's what we forgot in our last two matches."

• In Edinburgh, Scotland stayed on course with a 26-13 victory over Wales, The Associated Press reported.

After Wales had gotten a second-minute try by scrum half Robert Jones, the Scots replied with tries by back row Eric Peters and prop David Hilton to lead by 20-7 at halftime.

Scottish captain and fullback Gavin Hastings missed two early kicks but added four penalties and two conversions, with one of the penalties from 51 meters through the falling snow.

"We showed character. It was real collective effort," Hastings said. "They had to put that try behind them and that's what they did."

Jones's try arose from a powerful run by back row forward Emyr Lewis. He took a pass from center Nigel Davies and charged 30 yards before he was grounded eight yards from the Scottish line.

Jones picked up the feed from the ensuing ruck and darted over for the try, which fly half Neil Jenkins converted for 7-0.

Hastings had two chances to cut that lead when the Welsh were penalized twice in two minutes but missed both kicks, the first from 35 yards and the second from 27.

But he made no mistake in the 12th minute with a 20-yard kick almost level with the posts to make it 7-3.

"To come back from two early misses, I was just delighted," Hastings said. "And then there was the big one from halfway."

Scottish fly half Craig Chalmers sliced a drop goal attempt wide from 20 yards but Hastings cut the Welsh lead to one point in the 20th minute when Welsh hooker Garin Jenkins was caught offside only 15 yards from the posts and he kicked the penalty.

Some enterprising play by the Welsh three-quarterline had the Scots under pressure near their own try-line and center Mike Hall twice was halted by tackles as he charged forward in search of a second try for the visitors.

But the Scots produced a spectacular counterattack to break out and score their first in the 32d minute.

Winger Kenny Logan took a pass from Chalmers deep in his own half and sprinted 40 yards down the sideline through three Welsh tackles before feeding supporting back row forward Peters, who had a clear, 30-meter run at the Welsh line.

The Scots' third Five Nations triumph victory in a row followed a run of nine games without a victory. Last season they wound up last in the championship race while the Welsh, who lost for the third time this season, won the title.

Five-Nations Scoring

Ireland — Try: Simon Geoghegan (64th). Conversion: Eric Elwood.

France — Tries: Yann Delaigue (41), Marc Cecillon (58), Emile N'Tamack (78), Philippe Saint-Andre (80). Penalty: N'Tamack (25). Conversion: N'Tamack (57).

Scotland — Tries: Eric Peters (32), Dave Hilton (34). Conversions: Gavin Hastings (32, 35). Penalties: Hastings (12, 20, 53, 69).

Wales - Try: Robert Jones (2). Conversion: Neil Jenkins. Penalty: Jenkins (64, 67).

Nippon Sails to Critical Cup Victory Over France 3

The Associated Press

SAN DIEGO — Europe's chances of remaining in the running for the America's Cup have taken a dunking, while an amateurish error before the start prevented Stars & Stripes from expanding its lead in the defender trials as it lost to Young America.

Nippon scored a key victory Saturday over France 3 in the battle for the last spot in the Louis Vuitton Cup semifinals for challengers. The triumph, by 3 minutes, 38 seconds, solidified Nippon's hold on fourth place.

France 3 ditched its radical new mainsail, designed to give it power in light air, and then saw the wind die from 7 knots at the start to 4 knots by the third mark.

"The defeat was so comprehensive, we really have no answers," said Harold Cudmore, an Englishman who is sailing coach for the French. "The show isn't over until the fat lady sings, but she's on the stage."

Team New Zealand, oneAustralia and NZL-39 have clinched spots in the semifinals.

To survive, France 3 needs to win two of its four remaining races and have Nippon lose its remaining three.

Team New Zealand beat national rival NZL-39 by 2:35, and Rioja de España beat Sydney 95 by 1:15 to pull out of last place for the first time since January.

On the defender course, Kevin Mahaney's Young America beat Stars & Stripes by 1:03.

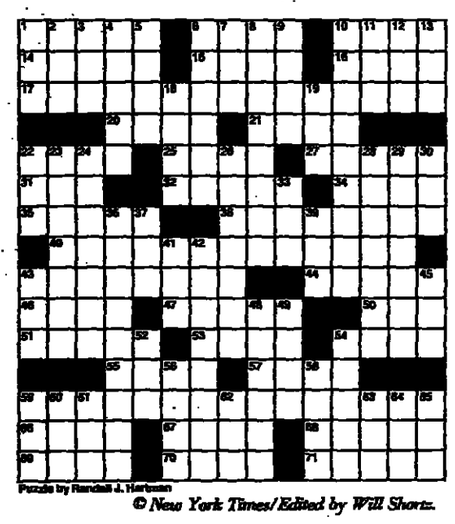
Helmsman Paul Cayard wheeled Stars & Stripes into the starting area before the 5-minute gun, drawing a penalty that required a 270-degree turn after the start. "It was a bonehead move, that's for sure," Cayard said.

On Friday, America3, the all-women America's Cup team, sailed its new boat Mighty Mary to victory over Pact 95's Young America, providing a much-needed morale boost for the women's team. It hopes the new boat will give it the technological edge to beat the two all-male syndicates and win the right to defend the America's Cup in May.

On the challenger course, John Bertrand's oneAustralia and Chris Dickson's Tag Heuer Challenge clinched semifinal berths with victories.

Chris Dickson's NZL-39 was too strong for Rioja de España and became the third challenger to qualify for the semifinals. The challenger fleet leader, Team New Zealand, won its 20th race by beating Sydney 95.

CROSSWORD



Puzzle by Randall J. Hartman

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ACROSS

1 City near Kyoto
8 Saturate
10 Gallows reprieve
14 Threesome
15 "So long"
16 Cro-Magnon's home
17 Jungle dweller
20 Poet and tentmaker's son
21 It's unique
22 Buckeye State
25 Burn
27 Christopher of "Superman"
31 Campaigned
32 Sunday songs
34 Antiforine boss
35 Zest
38 Synthetic rubber
40 17-Across's formal title
43 Ailments
44 Skirt movement
46 Elderly
47 Descendant
50 Opposite WNW
51 Bowling lane button
53 Playwright David
54 Like target pigeons
55 Pout
57 Mrs. Peel from "The Avengers"
59 Phrase from 17-Across
60 Declare
67 Legal memo starter
68 Kind of eclipse
69 Sneaky look
70 Constellation component
71 Stage direction

DOWN

1 Giant slugger
2 Mexican Mrs.
3 Inner-tube innards
4 Hummer's instrument
5 Edenite
6 Building floor, in London
7 Lummox
8 Johnnie Cochran, e.g.
9 Actress Madeline
10 Ray Bolger film role
11 Astaire specialty
12 "Hail, Caesar!"
13 "——, ma'am"
18 Partner of Crosby and Stills
19 Always, to a poet
22 Assn.
23 Trucker's business
24 Shoe pads
26 More than forgetfulness
28 Old Testament prophet
29 Singer Williams
30 Before
33 Message from the Titanic
36 NBC's peacock, e.g.
37 Uneven
39 Two of these make a qt.
41 Platoon members, for short
42 Coward
43 Deface
45 Relative of "passt!"
48 Compiler
49 Jules Verne captain
52 Craggy peak
54 Kind of cooking
56 Terrorists' weapons
58 Wagon train puller
59 Glove compartment item
60 Mate of 5-Down
61 Golf ball's perch
62 Gun lobby grp.
63 Colony pest
64 Scot's denial
66 Flub

Solution to Puzzle of March 3

G	L	A	S	S	J	A	W		E	M	I	T	S	
E	Y	E	T	O	O	T	H		G	E	N	I	U	S
T	E	R	I	Y	A	K	I		G	R	A	N	N	Y
		N	U	D	I	T	Y				S	U	R	
B	L	I	T	Z		N	E	A	R		M	E	N	U
E	I	N			S	H	R	I	V	E	L	U	P	
R	A	M	B	O	S		O	N	S	E	T			
G	R	E	E	N	H	O	U	S	E	G	A	S	E	S
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S	Q	U	E	E	G	E	E	D				L	O	X
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U	R	A	N	I	A		D	A	T	A	B	A	S	E
B	U	N	I	O	N		E	M	E	R	I	T	U	S
	M	A	N	N	Y		S	Y	R	E	T	T	E	S

WBA Rescinds Foreman's Title

The Associated Press

ATLANTIC CITY, New Jersey — George Foreman has lost the World Boxing Association's heavyweight championship in a meeting room of the Taj Mahal casino.

The WBA Executive Committee voted Saturday to reject the 46-year-old Foreman's appeal that it sanction his April 22 fight against unranked Axel Schulz of Germany. The vote count was not revealed.

The committee backed up a 5-0 vote by the WBA's Championships Committee on Jan. 27 that Foreman make his first title defense against the top available contender or have his title withdrawn by the organization.

Foreman and the promoter Bob Arum have indicated that they would take court action against the WBA if it didn't sanction the Schulz fight.

Foreman, speaking with KRIV-TV of Houston, said: "All I know is, I do believe on Nov. 7 I became the heavyweight champion of the world. It wasn't given to me as a gift, I had to get it by a knockout and I had to go to court to make sure I was allowed to fight, so there's no telling what court battle lurks behind the curtain now."

"I guess certain guys can be heavyweight champion of the world and do whatever they want but they seem to pick on George Foreman for some reason," he said. "But I don't feel sorry for myself because I am the heavyweight champion of the world."

Tony Tucker, ranked No. 1, and Bruce Seldon, No. 2, will fight for the WBA championship. Both are promoted by Don King.

Foreman won the WBA and IBF titles by knocking out Michael Moorer in the 10th round Nov. 5 in Las Vegas. The IBF will sanction Foreman's fight against Schulz on April 22 in Las Vegas.

Foreman said in a statement read by the promoter Butch Lewis, asked by the fighter to represent him at the appeal hearing, that if the WBA allowed him to fight Schulz, he would "defend the title against the challenger designated by the WBA later this year."

• Pernell Whitaker, knocked down by a left hand to the head in the fourth round, frustrated Julio César Vásquez for the rest of the bout in Atlantic City, New Jersey, as he won the WBA junior middleweight championship with a one-sided decision Saturday night.

Whitaker became the fourth man to win at least pieces of world championships in four weight classes.

LANGUAGE

Perceiving 'Interconnectedness'

By William Safire

WASHINGTON — Robert Rubin, the new Treasury secretary, believed strongly that a collapse of investor confidence in Mexico would lead to similar dismay in other economies that need foreign investment.

"Not all of Mr. Rubin's friends on Wall Street," David E. Sanger wrote in The New York Times, "fully subscribe to what he calls this 'theory of *interconnectedness*' — 'if that's a word,' he adds."

The noun *interconnectedness* first saw the light of print in the English theologian A. G. Hogg's 1922 tract, "Redemption From This World," in which he averred: "We labor hardest to perceive the *interconnectedness* of events."

Why not the shorter noun, *interconnection*? That isn't exactly a grabber of a name for a theory, either, but it has the advantages of relative brevity and greater familiarity.

Why not, while we're compressing, drop the *inter-* and go directly to a theory of *connection*? Because it would be wrong. A clear distinction can be drawn between *connection* (from the Latin *nectere*, "to bind," and *con-*, "with"), which suggests a single link, perhaps initiated by one of the joined elements, and *interconnection*; by adding the prefix *inter-*, meaning "between," the longer word means "a mutual joining" or "a linking of internal parts at several places."

Besides, *connection* has a sinister connotation: "The French Connection" was a movie about a drug dealer's method of doing business, its operative word based on the American underworld meaning of *connection* as "an inside source" for nefarious or corrupt dealings.

An even shorter word leaps to the political mind: *linkage*. But a word associated so closely with Henry Kissinger's diplomacy may not be desired in the Clinton administration.

Another solution for Rubin can be found in a figure of speech favored by the columnist Joseph Alsop and popularized by President Eisenhower in 1954: "You have a row of dominoes set up. You knock over the first one, and what will happen to the last one is that it will go over very quickly.

"So you have the beginning of a disintegration," Eisenhower said, explaining his decision to offer economic aid to South Vietnam, "that would have the most profound influences."

From the *domino theory* to *linkage* to *interconnectedness*; we've come a long way, Lone Ranger.

□

"I see 'shouting fire in a crowded theater' quoted in your paper — and everywhere else — all the time," writes David Dreyer, who has left the White House to join Rubin at Treasury.

"Have you ever done a column on the misuse of the phrase 'shouting fire *falsely* in a crowded theater'? Everyone drops the word 'falsely,' but never explains why it would be improper to warn patrons that their movie house is about to be consumed by flames."

Let us fully cite the great stricture written by Justice Oliver Wendell Holmes Jr. Note in his wording that *crowded* is not used to describe the *theater*; also, the word *falsely* appears before *shouting fire*, perhaps the reason that adverb is often dropped. In the 1919, case of Schenck vs. United States, Holmes wrote:

"The most stringent protection of free speech would not protect a man in falsely shouting fire in a theater and causing a panic. . . . The question in every case is whether the words used are used in such circumstances and are of such a nature as to create a clear and present danger that they will bring about the substantive evils that Congress has a right to prevent."

□

"We chose to put our family first," said Dan Quayle, announcing his noncandidacy for president in 1996, "and to *forgo* the disruption to our lives." The Washington Post picked up his verb in its headline: "Quayle *Forgoes* Presidential Race."

"Gotcha!" I cried at the breakfast table. *Forgoes* looked funny to me: what happened to the other *e*? I turned to my New York Times, and there it was: "and to *forego* the disruption to our lives."

I was mistaken; so was my colleague at The New York Times. The prefix *for-* means "away" or "wrongly" and refers to omission or prohibition, as in *forbid*, *forbear*, and *forswear*. The verb *forgo*, without the *e*, comes from the Old English *forgan*, meaning "to pass by," or as we would say now, "to pass up"; it means "to do without, to give up."

What threw me off? There is an archaic verb *forego*, meaning "to go before," but it survives in the language as *foregone*, and that it will be a source of confusion is a foregone conclusion.

The prefix *fore-*, with an *e*, with its "to go ahead of" meaning, pops up in *forecast*, *foremost* and — as Simpson-potatoes can tell you — "the *foreperson* of the jury."

Many dictionaries list both spellings — *forgo* and *forego* — and helplessly suggest we pick 'em. None of that permissive stuff in the foregoing paragraph for me: what the noncandidate did was to *forgo* a run.

A nice choice of a word for a man who was publicly pilloried for adding an *e* to *potato*. Dan Quayle chose the apt verb, spelled it right and caught a few of us off base.

New York Times Service

Hitsville: Berry Gordy Remembers Motown

By Margo Jefferson
New York Times Service

Berry Gordy in front of Motown headquarters in Detroit in 1966.

NEW YORK — There was a time when black music was expected to supply black audiences with all the plots, characters and dramas, all the distinctions of class, region and style that in a reasonably integrated America would have found their way into white mainstream plays, movies, novels and television shows.

That may be one reason the music took so many forms (jazz, blues, gospel), and why the offshoot of each form had its own name (rhythm-and-blues, doo-wop, soul), and its own musical, and social, twist.

But none of these forms had lived an entirely segregated life: to one degree or another they had all taken what they wanted or needed from white music. With its youthful postwar brashness, aimed at teenagers, rock 'n' roll sped up this process.

The black pioneers of rock 'n' roll were not giving America unfettered race testimony or self-expression. They were giving America calculated entertainment in bright racial Technicolor. Rock 'n' roll was show business. To secure a mass audience it had to appeal to young blacks across class lines: be funky but suave too; primal, then languid, then ironic.

And it had to lure young whites across both class lines and the great racial divide: It had to be exotic enough to thrill them but familiar enough to make them feel at home.

No one managed this feat with more efficiency or more panache than Berry Gordy Jr. He started Motown Records in Detroit in 1959, called it Hitsville and went on to generate an unbroken string of hit records, beginning in the early 1960s and extending into the early '70s, a decade when the youth culture was in flower.

Some black performers like Ike and Tina Turner and Etta James played rhythm-and-blues rock, with its aura of back roads and mean streets and rough sex. Others like Otis Redding, Wilson Pickett, Aretha Franklin and Curtis Mayfield played soul-rock, with its melodrama (I yearn, I burn, I cajole, I tease, I strut, I conquer, I beg, I weep, I curse) and its love of Latin-tinged beats and gospel phrasings.

Motown groups like the Supremes, the Temptations and the Miracles drew on these styles. But they drew on the pop song conventions of Tin Pan Alley: streamlined emotions, stories told in crisp rhythms, clean patches of melody and neatly resolved rhymes and images.

Memoirs, histories and exposes of Motown have been appearing since the late 1970s. Now the music is reappearing, in handsome boxed sets.

And so, Gordy has finally stepped forward to tell the story his way. In November, he canonized himself with an autobiography called "To Be Loved" and an album called "The Music, the Memories, The Magic of Motown: A Tribute to Berry Gordy" has just appeared.

The autobiography takes its title from a hit he wrote for Jackie Wilson. Fair enough, but it is hard not to roll one's eyes heavenward when he declares that being loved is the key to who he is and what he has always longed for.

Oh, please, Gordy, you want to say. You were the founder and ruler of Motown: You oversaw the invention of an American sound and style, you made millions of dollars doing it, you made and unmade careers as you saw fit. In your way you were as important as that other assembly-line autocrat from Detroit, Henry Ford. You have been revered, obeyed and imitated. Must you insist on being loved as well?

As for the album, it contains 14 Gordy tunes. Three of them, "Lonely Teardrops," "To Be Loved" and "Money (That's What I Want)," were hits, and deserved to be. The others were not hits, and deserved not to be. Gordy will be remembered as a producer, not a songwriter.

But after all these years, the original Motown sound is still lovable. All the elements were there in just the right balance: insolence and innocence, earthiness and pithiness, sly touches of individuality within a sleek mass-produced whole.

Gordy's memories of his own magic are pious and sentimental. Nevertheless, he has earned his spot in rock 'n' roll history. He had learned the basics of musical miscegenation from the rambunctious black fathers of rock 'n' roll. One was Bo Diddley. With his leather vests, big-brimmed western hats and feathers, he was an urban cowboy, an outlaw and roustabout whose songs were tall tales set to a rolling bass.

Along with Liberace, Little Richard was an advance man for mass culture's acceptance of camp. His look — the pompadour, the lipstick and false eyelashes, the big suits — was outrageous and aggressive, but his sexuality was too self-absorbed to be threatening.

Black male heterosexuality seemed safely channeled not only into homosexuality (which dared not speak its name in rock then) but into zany parody: self-congratulation side by side with self-mockery.

Chuck Berry was still more calculated. He was a musical con man. His early repertory was half Nat (King) Cole and half Muddy Waters; Cole, he said, taught him to sing sentimental tunes "with distinct diction," while Waters taught him to sing blues "in the language they came from, Negro dialect."

Then Berry began throwing a little country-and-western into the mix, confounding black audiences, then irritating them, then amusing them. They started to treat hillbilly music the way white audiences were starting to treat rock 'n' roll: They tried to dance to it.

"If you ever want to see something that is far out," Berry writes in his autobiography, "watch a crowd of colored folk, half-high, wholeheartedly doing the hoedown barefooted."

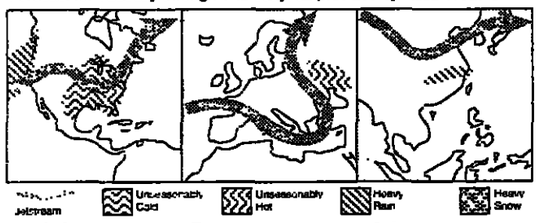
Gordy had a father who was a strict, self-made businessman and a mother who taught school, was a Daughter of the Ruler of the Elks. His favorite poem was "If" by Rudyard Kipling, his favorite musicians were Charlie Parker, Dizzy Gillespie, Miles Davis and Erroll Garner, and though he wanted to sing like Nat (King) Cole, he wrote one of his first songs, "You Are You," for Doris Day. Victorian uplift hand in hand with postwar complexity and eternal perkiness.

Why did Gordy decide to move Motown to Hollywood in the 1970s and make treacly, old-fashioned movies like "Lady Sings the Blues" and "Mahogany"? With its assortment of characters and plots, Motown was already the hip musical equivalent of a major Hollwyood studio.

Gordy gave up control of Motown in 1988, and though the company has recently produced hit groups like Boyz II Men and Zhane, the luster has faded.

WEATHER

Forecast for Tuesday through Thursday, as provided by Accu-Weather.



Europe

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Algarve	16/61	10/50	sh	16/61	11/52	pc
Amsterdam	6/43	0/32	sn	8/46	2/35	pc
Ankara	12/53	1/34	r	10/50	-2/29	sn
Athens	14/57	11/52	pc	15/59	8/43	pc
Barcelona	12/53	4/39	pc	13/55	7/44	s
Belgrade	11/52	4/39	sn	8/46	-2/29	r
Berlin	7/44	1/34	sh	6/43	-1/31	sn
Brussels	7/44	-1/31	sn	8/46	1/34	pc
Budapest	8/46	3/37	sn	7/44	-1/31	sn
Copenhagen	4/39	1/34	r	4/39	-1/31	sn
Costa Del Sol	16/61	9/48	pc	16/61	11/52	s
Dublin	6/43	2/35	pc	4/39	-2/29	sn
Edinburgh	7/44	2/35	pc	6/43	1/34	sn
Florence	11/52	1/34	pc	11/52	1/34	s
Frankfurt	7/44	0/32	pc	5/41	-2/29	sn
Geneva	7/44	-2/29	c	7/44	0/32	pc
Helsinki	1/34	-2/29	pc	2/35	-2/29	sn
Istanbul	12/53	5/41	sh	12/53	3/37	r
Las Palmas	22/71	14/57	s	22/71	16/61	s
Lisbon	14/57	6/43	pc	14/57	9/48	sh
London	8/46	1/34	pc	8/46	3/37	sn
Madrid	13/55	2/35	pc	16/61	3/37	s
Milan	8/46	-2/29	c	8/46	0/32	pc
Moscow	7/44	1/34	pc	6/43	-1/31	pc
Munich	4/39	-3/27	sh	3/37	-3/27	sn
Nice	11/52	2/35	pc	11/52	4/39	s
Oslo	1/34	-2/29	r	2/35	-3/27	sn
Palma	11/52	6/43	pc	13/55	8/46	s
Paris	8/46	-1/31	pc	9/48	1/34	pc
Prague	6/43	-2/29	sh	3/37	-3/27	sn
Reykjavik	1/34	-1/31	sn	2/35	-2/29	sn
Rome	12/53	3/37	pc	13/55	4/39	pc
St. Petersburg	3/37	0/32	sn	5/41	-2/29	r
Stockholm	3/37	1/34	pc	5/41	0/32	sn
Strasbourg	7/44	-3/27	sn	7/44	-2/29	sn
Tallinn	2/35	-2/29	pc	2/35	-2/29	sn
Venice	8/46	3/37	sh	9/48	2/35	pc
Vienna	7/44	1/34	sn	6/43	-1/31	r
Warsaw	8/46	1/34	sh	6/43	-2/29	r
Zurich	6/43	-3/27	sn	6/43	-2/29	sn

Oceania

Auckland	24/75	16/61	pc	24/75	17/62	pc
Sydney	27/80	20/68	c	27/80	19/66	r

North America

A one- or two-day cold snap will begin from Chicago to Dallas Tuesday as rains fall from the eastern Great Lakes to the Gulf Coast. Rainy then cold weather will shift east at midweek after springlike warmth as far north as New England. Wind and rain will hit the Pacific coast.

Europe

More strong, cold winds will buffet Ireland and U.K. along with northern France to Sweden and Norway. Showers of rain, snow and sleet will pass between intervals of sunshine. Northern Italy to eastern Germany should be mostly dry with less wind, sunshine will brighten Spain Tuesday and Wednesday.

Asia

Core cities of Japan and South Korea will have partly sunny, cool days and cold nights through midweek; any rain should pass quickly. Rainy weather is possible at midweek in eastern China, and Thursday in Korea and Japan. Infrequent light rain is likely from Taiwan to South China.

Middle East

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Abu Dhabi	23/73	13/55	s	23/73	13/55	s
Beirut	20/68	12/53	pc	19/66	13/55	s
Cairo	23/73	9/48	s	24/75	11/52	s
Damascus	17/62	6/43	pc	17/62	6/43	s
Jerusalem	17/62	8/46	pc	17/62	9/48	s
Luxor	31/88	11/52	s	36/97	9/48	s
Riyadh	23/73	12/53	s	26/79	9/48	s

Africa

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Algiers	16/61	9/48	sh	15/59	11/52	s
Cape Town	21/70	14/57	pc	23/73	15/59	pc
Casablanca	17/62	11/52	pc	18/64	10/50	pc
Harare	19/66	11/52	t	22/71	11/52	t
Lagos	31/88	26/79	pc	32/89	27/80	s
Nairobi	22/71	12/53	pc	22/71	14/57	t
Tunis	18/64	7/44	pc	14/57	7/44	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, f-fog, W-Weather. All maps, forecasts and data provided by Accu-Weather, Inc. © 1995

Asia

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Bangkok	33/89	24/75	pc	34/93	26/79	s
Beijing	13/55	2/35	pc	15/59	2/35	s
Hong Kong	19/66	16/61	pc	20/68	17/62	pc
Manila	28/82	21/70	pc	28/82	22/71	sh
New Delhi	23/73	16/61	pc	23/73	13/55	pc
Seoul	12/53	3/37	pc	14/57	4/39	pc
Shanghai	14/57	6/43	s	16/61	7/44	s
Singapore	30/86	24/75	pc	31/88	24/75	sh
Taipei	19/66	14/57	c	20/68	14/57	sh
Tokyo	13/55	4/39	pc	13/55	8/46	sh

Latin America

Buenos Aires	27/80	20/68	pc	27/80	17/62	pc
Caracas	28/84	17/62	c	29/84	17/62	pc
Lima	27/80	21/70	pc	27/80	21/70	pc
Mexico City	26/79	9/48	pc	25/77	8/46	pc
Rio de Janeiro	34/93	23/73	pc	35/95	24/75	pc
Santiago	31/88	12/53	s	31/88	12/53	pc

North America

Anchorage	-1/31	-9/16	pc	-4/25	-14/7	pc
Atlanta	20/68	13/55	sh	18/64	8/46	sh
Boston	9/48	4/39	sh	11/52	5/41	sh
Chicago	7/44	3/37	sh	6/43	-5/24	sh
Denver	5/41	-7/20	pc	13/55	-1/31	pc
Detroit	9/48	4/39	c	11/52	-2/29	sn
Honolulu	27/80	19/66	pc	29/84	21/70	s
Houston	25/77	18/64	sh	21/70	7/44	pc
Los Angeles	20/68	8/46	pc	22/71	11/52	sh
Miami	27/80	22/71	pc	29/84	22/71	pc
Minneapolis	-4/25	-11/13	sn	-2/29	-11/13	sf
Montreal	-1/31	-7/20	c	4/39	-12/11	pc
Nassau	30/86	19/66	pc	28/82	21/70	sh
New York	10/50	6/43	sh	12/53	6/43	sh
Phoenix	22/71	12/53	sh	27/80	13/55	pc
San Fran.	17/62	8/46	pc	18/64	12/53	r
Seattle	9/48	1/34	pc	9/48	2/35	c
Toronto	6/43	-2/29	c	4/39	-7/20	c
Washington	17/62	9/48	sh	15/59	7/44	sh

POSTCARD

Reader Finds a New Book Reads a Lot Like an Old One

By Mary B.W. Tabor
New York Times Service

NEW YORK — That the two books arrived on Cynthia Martin Kiss's night stand at the same time was coincidence.

One, "The Primary Colors," a recent book by Alexander Theroux, had received a glowing review in The New York Times Book Review, so she bought a copy. The other, "Song of the Sky," a 1954 book on navigation by Guy Murchie, which is out of print, had been recommended by a friend.

One cold Saturday night in December, having finished "The Primary Colors," Kiss picked up "Song of the Sky."

Fourteen pages into the book, she ran across what felt like a familiar passage. The author was exploring the color white. Kiss had just read Theroux's meditations on blue, yellow and red. She chuckled to herself that she might have discovered Theroux's muse.

But by page 29 of "Song of the Sky," she said early this week, "a chill went up my spine." She read these words: "Blue water is salty, warm, and deep and speaks of the tropics where evaporation is great and dilution small — the Sulu Sea, the Indian Ocean, the Gulf Stream. Green water is cool, pale with particles, thin with river and rain, often shallow. In the tropics it means land, just as in the north with white jigsaw ice it means a frozen bay is close."

She grabbed "The Primary Colors" and leafed through its pages until, on page 16, she found this passage: "Incidentally, blue water is invariably salty, warm, and deep and speaks of the tropics, where evaporation is great and dilution minimal — the Sulu Sea, the Indian Ocean, the Gulf Stream." The next two sentences were almost identical as well.

Kiss, a technical editor in Connecticut, checked Theroux's book for footnotes or an acknowledgment to Murchie, but found neither.

Asked about the similarities, Theroux's editor at Henry Holt & Co., Allen Peacock, said Theroux had unintentionally neglected to credit Murchie. Reached in California, where he was traveling, Theroux said he had read hundreds of books, including "Song of the Sky," while gathering material for "The Primary Colors." But he said his notes from "Song of the Sky" were for a book he was writing on Amelia Earhart and must have got mixed with notes for "The Primary Colors."

In fact, "The Primary Colors," a mosaic of cultural and historic references to color, cites hundreds of other authors, artists and uncelebrated people. But Murchie, now 88, is not among those credited.

He said by telephone from his home in California that Theroux never sought, nor was granted, permission to use material from the 423-page "Song of the Sky." Murchie and his wife, Marie, said that they were pursuing a lawsuit against Theroux and Henry Holt, alleging plagiarism.

Peacock said that the 12,500 copies of "The Primary Colors" already distributed would not be recalled, but that future editions would credit Murchie or omit the offending passages.